



AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
El Camino Healthcare District

Tuesday, January 19, 2016, 5:30 p.m.

El Camino Hospital, Conference Rooms E, F & G (ground floor)
 2500 Grant Road, Mountain View, California

PURPOSE: The purpose of the District shall be (i) to establish, maintain and operate, or provide assistance in the operation of, one or more health facilities (as that term is defined in California Health and Safety Code Section 1250) or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District; (ii) to acquire, maintain and operate ambulances or ambulance services within or without the District; (iii) to establish, maintain and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and such other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; and (iv) to do any and all other acts and things necessary to carry out the provisions of the District’s Bylaws and the Local Health District Law.

AGENDA ITEM	PRESENTED BY		
1. CALL TO ORDER	Peter C. Fung, MD Board Chair		5:30 – 5:31 p.m.
2. SALUTE TO THE FLAG	Peter C. Fung, MD Board Chair		5:31 – 5:34
3. ROLL CALL	Peter C. Fung, MD Board Chair		5:34 – 5:35
4. PUBLIC COMMUNICATION A. Oral Comments This opportunity is provided for persons in the audience to make a brief statement, not to exceed 3 minutes on issues or concerns not covered by the agenda. B. Written Correspondence	Peter C. Fung, MD Board Chair		5:35 – 5:38
5. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter C. Fung, MD Board Chair		5:38 – 5:39
6. COMMUNITY BENEFIT SPOTLIGHT: Lucille Packard Teen Health Van Resolution 2016-01 ATTACHMENT 6	Barbara Avery, Director, Community Benefit	<i>public comment</i>	motion 5:39 – 5:49
7. CONSENT CALENDAR ITEMS: Any Board Member may remove an item for discussion before a motion is made. Approval: a. Minutes of the Regular Meeting of the District Board (October 20, 2015) b. Pacing Plan ATTACHMENT 7	Peter C. Fung, MD Board Chair	<i>public comment</i>	motion 5:49 – 5:54

A copy of the agenda for the Regular Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at 650-988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		
8. MAYVIEW COMMUNITY HEALTH CENTER GRANT ATTACHMENT 8	Barbara Avery, Director, Community Benefit	<i>public comment</i>	possible motion 5:54 – 6:04
9. AMERICAN HEART ASSOCIATION: HYPERTENSION INITIATIVE FOR ECHD ATTACHMENT 9	Sang-Mi Oh, VP, Multicultural Initiatives, American Heart Association – Western States Affiliate Sharan Johal, Administrative Assistant, Community Benefits Kelvin Quan, CEO Mayview Community Health Centers		information 6:04 – 6:19
10. ECHD FINANCIALS FY 2016 YTD ATTACHMENT 10	Iftikhar Hussain, CFO	<i>public comment</i>	motion 6:19 – 6:29
11. DRAFT MEDIA POLICY ATTACHMENT 11	Mary Rotunno, General Counsel	<i>public comment</i>	possible motion 6:29 – 6:44
12. RESOLUTION 2016-02 - AMENDMENT TO ECH BYLAWS ARTICLE IV, SECTIONS 4.5 AND 4.6 ATTACHMENT 12	Peter C. Fung, MD Board Chair	<i>public comment</i>	motion 6:44 – 6:49
13. ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT ATTACHMENT 13	John Zoglin ECH Board Member Election AdHoc Committee	<i>public comment</i>	motion 6:49 – 6:54
14. TOBACCO SECURITIZATION AUTHORITY REPORT	Julia Miller, Board Member		information 6:54 – 6:59
15. REPORT ON ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS ATTACHMENT 15	Julia Miller, Board Member		information 6:59 – 7:04
16. BOARD COMMENTS	Peter C. Fung, MD Board Chair		information 7:04 – 7:09
17. ADJOURN TO CLOSED SESSION			7:09 – 7:10
18. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter C. Fung, MD Board Chair		7:10 – 7:11
19. CONSENT CALENDAR Any Board Member may remove an item for discussion before a motion is made. Approval:	Peter C. Fung, MD Board Chair		motion 7:11 – 7:12

AGENDA ITEM	PRESENTED BY		
- Minutes of the Closed Session of the Regular District Board Meeting (October 20, 2015) <i>Gov't Code Section 54957.2</i>			
20. Report involving <i>Gov't Code Sections 54957</i> for report and discussion on personnel matters - Executive Session	Peter C. Fung, MD Board Chair		discussion 7:12 – 7:17
21. Adjourn to Open Session			7:17 – 7:18
22. RECONVENE OPEN SESSION	Peter C. Fung, MD Board Chair		7:18 – 7:19
To report any required disclosures regarding permissible actions taken during Closed Session.			
23. ADJOURNMENT	Peter C. Fung, MD Board Chair		7:19 – 7:20 p.m.

Upcoming Board Meetings in 2016:

- March 15, 2016
- May 17, 2016
- June 14, 2016
- October 18, 2016

ATTACHMENT 6

RESOLUTION 2016 - 1

**RESOLUTION OF THE BOARD OF DIRECTORS
OF EL CAMINO HEALTHCARE DISTRICT
REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY**

WHEREAS, the Board of Directors of the El Camino Healthcare District values and wishes to recognize the contribution of individuals who serve the District's community as well as individuals who exemplify the El Camino Healthcare District's mission and values.

WHEREAS, the Board wishes to honor and recognize Teen Health Van for partnering with the El Camino Healthcare District to provide comprehensive medical services to at-risk teens and young adults.

The El Camino Healthcare District and Teen Health Van have partnered together since 2012 in an effort to provide accessible and much-needed medical care to vulnerable students. Teen Health Van staff work to improve access to health care services amongst low-income and uninsured youth who would otherwise not have access to critical medical services in the District. Teen Health Van staff collaborates with school administrators who refer students to the Teen Health Van. First-time visits include appointments with a doctor, nurse practitioner, social worker, and dietitian. In addition to one-on-one visits, the dietitian and social worker also conduct several health-education/health-promotion group activities.

Teen Health Van has successfully merged technology and medicine to provide innovative new approaches to medical care. In January 2015, Teen Health Van launched a new text messaging program that provides patient, diagnosis, and disease specific text messages tailored for each patient user. In August 2015, Teen Health Van unveiled a new van equipped with Wi-Fi and interactive devices such as tablets. Since 2012, Teen Health Van has delivered culturally relevant services to over 400 students resulting in over 1,000 encounters.

WHEREAS, the Board would like to acknowledge Teen Health Van for its commitment to improving the lives of youth in the District.

NOW THEREFORE BE IT RESOLVED that the Board does formally and unanimously pay tribute to:

Teen Health Van

IN WITNESS THEREOF, I have here unto set my hand this **19TH DAY OF JANUARY, 2016**.

EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS:

Dennis Chiu, JD • Peter Fung, MD • Julia Miller • David Reeder • John Zoglin

**PETER FUNG, MD
SECRETARY/TREASURER
EL CAMINO HEALTHCARE DISTRICT BOARD OF
DIRECTORS**



**a. Minutes of the Regular Meeting of the District Board
(October 20, 2015)**

Minutes of the Open Session
Of the El Camino Healthcare District Board of Directors
Tuesday, October 20, 2015
El Camino Hospital, 2500 Grant Road, Mountain View California
Conference Room F and G

Members Present

Dennis Chiu
 Peter C. Fung, MD
 Julia Miller
 John Zoglin

Members Absent

David Reeder

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER	Board Chair Peter C. Fung, MD called to order the Open Session meeting of the El Camino Healthcare District Board of Directors at 5:30 pm.	
2. SALUTE TO THE FLAG	Chair Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
3. ROLL CALL	Silent Roll call was taken. All Board members except Director Reeder were present.	
4. PUBLIC COMMUNICATION	None.	
5. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Board Member or any member of the public knew of any Board member conflict of interest with any of the items on the agenda. None were reported.	
6. CONSENT CALENDAR	<p>Director Zoglin requested that items 6b (FY 2015 Community Benefit Report) and 6c (Resolution 2015-08 Setting Regular Meeting Dates for CY 2016) be removed from the consent Calendar.</p> <p>Motion: To approve the Consent Calendar (Minutes of the Meeting of the Board, June 16, 2015 and FY 2015 Year End Consolidated and Stand-Alone Financials).</p> <p>Movant: Fung Second: Miller Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None</p>	<i>Consent Calendar Items a and d approved</i>

	<p>Items 6b and 6c were deferred until later in the meeting.</p>	
<p>7. AMERICAN HEART ASSOCIATION: HYPERTENSION INITIATIVE FOR ECHD</p>	<p>Chair Fung reported on the significant morbidity and mortality resulting from hypertension (high blood pressure). He explained that hypertension, while very common in the community, is quite amenable to change with modest lifestyle changes. He introduced Sang Mi Oh, of the American Heart Association (“AHA”) who described a potential collaboration between the AHA, ECHD and other community organizations to engage in a community based program “Check.Change.Control” that would involve screening and assistance with lifestyle changes.</p> <p>Directors Zoglin and Chiu requested additional information regarding what the collaboration is and what the Board is being asked to approve. Chair Fung explained that the Board is being asked to approve a collaboration and that any request for funding or other resources would be brought back to the Board at a later time for consideration.</p> <p>Motion: To approve a proposed strategic collaboration in concept between the AHA and ECHD and other community nonprofits with more details to follow. Director Chiu proposed deleting the words “with more details to follow” as a friendly amendment. Director Miller accepted the amendment. Movant: Miller Second: Chiu Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None</p> <p>Chair Fung requested that Tomi Ryba, CEO, set up a series of meetings to include Ms. Ryba, Ms. Oh, Chair Fung, Ms. Currier and Ms. Avery.</p>	<p><i>Proposed Strategic Collaboration in Concept approved.</i></p>
<p>8. FINANCIAL REPORT (ECHD FINANCIALS FY 2016 YTD)</p>	<p>Iftikhar Hussain, CFO, gave a report on the YTD Financials. He reported that ECHD’s operating margin is very close to budget, being about \$.5 million behind plan. Net income is behind plan primarily due to a decline in investments in accordance with the market in general, although long term the financials are positioned well. He also explained that El Camino Hospital’s volumes are lower due to a few key surgeons being on vacation in August, but that early results for September are better.</p> <p>Motion: To approve the ECHD Financials FY 2016 YTD through August 31, 2015. Movant: Chiu Second: Zoglin</p>	<p><i>FY 2016 YTD Financials Approved.</i></p>

	<p>Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None</p>	
<p>9. FINANCIAL AUDIT PRESENTATION</p>	<p>Brian Connor and Joelle Pulver of Moss Adams gave the FY 2015 Financial Audit Report. Mr. Connor explained that ECHD’s Financial Statements are consolidated with El Camino Hospital, the El Camino Hospital Foundation and CONCERN.</p> <p>Focusing on the District finances alone, Ms. Pulver reported that the only significant change in the Balance Sheet over the last three years is a decrease in the GO bonds due to regularly scheduled payments and she explained changes to the income statement.</p> <p>With respect to the audit overall, she also stated that there were no material weaknesses and just a few best practice recommendations that management has agreed to and begun to implement.</p>	
<p>10. AGENDA ITEM 6b - FY 2015 COMMUNITY BENEFIT PLAN REPORT</p>	<p>Motion: To approve the FY 2015 Community Benefit Plan Report Movant: Miller Second: Chiu Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None</p>	<p><i>FY 2015 Community Benefit Plan approved.</i></p>
<p>11. AGENDA ITEM 10 - ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT: CONSIDER RE-ELECTION OF EL CAMINO HOSPITAL BOARD MEMBER</p>	<p>Director Zoglin reported that the Ad hoc Committee, comprised of himself, Director Miller and Gary Kalbach (of the ECH Governance Committee) met to discuss the data reported in the Nygren Surveys in which all five ECHD Directors participated. He explained the findings reflect the ECHD Board’s view of the ECH Board’s competencies in various areas and how those competencies would change if ECH Director Davis was no longer on the Board.</p> <p>He noted that the Committee found Director Davis to be very re-electable and presented two options for the Board to consider: 1) Re-elect Director Davis to the ECH Board now or 2) engage in “passive” recruitment in Q2 and Q3 that would include advertisement in local newspapers and word of mouth advertising, but not the engagement of a search firm at this time.</p> <p>The Board members discussed the options presented. Director Chiu asked if the Board could re-consider the two candidates that were not selected in June 2016 and, if one of them were to be elected, would the District be required to pay the search firm a fee. Mary Rotunno, General Counsel, responded that she would have to review the search firm’s contract.</p> <p>Motion: To engage in passive recruitment of an El Camino</p>	<p><i>Passive recruitment approved.</i></p>

	<p>Hospital Board member during Q2 and Q3. Movant: Miller Second: Chiu Ayes: Chiu, Miller Noes: Zoglin Abstentions: Fung Absent: Reeder Recused: None</p> <p style="text-align: center;"><i>Motion Failed</i></p> <p>Motion: To approve the passive recruitment process in including researching the prior candidates. Movant: Chiu Second: Miller Ayes: Chiu, Fung, Miller Noes: Zoglin Abstentions: None Absent: Reeder Recused: None</p> <p>Chair Fung requested that Ms. Rotunno report to the Ad Hoc Committee regarding the applicability of the contract with the previous search consultant.</p>	
<p>12. AGENDA ITEM 6c – RESOLUTION 2015 - 08 SETTING REGULAR MEETING DATES FOR CY 2016</p>	<p>Motion: To approve Draft Resolution 2015-08 with the addition of a meeting on May 17, 2016 Movant: Zoglin Second: Chiu Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None</p>	<p><i>Resolution 2015-08 approved as revised.</i></p>
<p>13. AGENDA ITEM 11- ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS REPORT</p>	<p>Director Miller reported she attended a two day retreat of ACHD’s Board of Directors of which she is a member. She described the information presented at the retreat including the work of Districts across the state, and the distribution of physicians throughout the State. She reported that a report was given regarding an excess of hospital beds in California. She also described the services ACHD provides to member Districts.</p>	
<p>14. AGENDA ITEM 12 – FY16 PACING PLAN</p>	<p>Chair Fung commented that, based on earlier discussion, a May 17 2016 meeting would need to be added to the Pacing Plan. He expects this would be an abbreviated meeting, solely for the purpose of electing a member of the ECH Board, and approval of the Minutes of the prior meeting. Motion: To approve the FY16 Pacing Plan with the addition of a meeting on May 17, 2016. Movant: Miller Second: Fung Ayes: Chiu, Fung, Miller, Zoglin Noes: None</p>	<p><i>FY16 Pacing Plan approved.</i></p>

	<p>Abstentions: None Absent: Reeder Recused: None</p>	
15. BOARD COMMENTS	<p>Director Miller noted that she and Director Chiu recently attended the Diwali event in Cupertino and thanked Ms. Ryba for the Hospital's support of the event. She also commented that she attended the tour of the RotaCare clinic with the Sunnyvale Rotary and is hopeful for continued RotaCare funding. She also requested the District's Ethics Policy be presented to the Board annually.</p> <p>Director Chiu echoed Director Miller's comments about the Diwali event and thanked Chair Fung for bringing the AHA Initiative to the attention of the Board.</p>	
16. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:50 pm Movant: Miller Second: Zoglin Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None</p>	
17. AGENDA ITEM 21 – RECONVENE OPEN SESSION	<p>Open Session was reconvened at 8:15 pm. Chair Fung reported that the minutes of the closed session of June 16, 2015 were approved by a vote of three Directors in favor (Chiu, Fung, Zoglin) one Director (Miller) abstaining.</p>	
18. AGENDA ITEM 22 - APPROVAL OF FY 2015 ECHD AUDIT	<p>Motion: To approve the FY 2015 Audit Movant: Chiu Second: Miller Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None</p>	<i>FY15 Financial Audit approved.</i>
19. AGENDA ITEM 22- ADJOURNMENT	<p>Motion: To adjourn the meeting at 8:16 pm. Movant: Miller Second: Chiu Ayes: Chiu, Fung, Miller, Zoglin Noes: None Abstentions: None Absent: Reeder Recused: None The meeting was adjourned at 8:05 pm.</p>	<i>Meeting adjourned at 8:16pm.</i>

Prepared by Cindy Murphy, Board Liaison

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:

Peter Fung, MD
Chair, ECHD Board of Directors

Julia Miller
Secretary, ECHD Board of Directors

Pacing Plan

**DISTRICT BOARD
FY2016 PACING PLAN (Updated 11.12.15)**

FY2016: Q1		
JULY 2015	AUGUST 2015	SEPTEMBER 2015
No Meeting	No Meeting	No meeting
FY2016: Q2		
OCTOBER 20, 2015	NOVEMBER 2014	DECEMBER 2015
<ul style="list-style-type: none"> ▪ FY 2016 YTD ECHD Financials ▪ FY 2015 Community Benefit Year End Report ▪ FY 2015 Stand-Alone ECHD Financials ▪ FY 2015 Financial Audit Presentation – Consolidated ECH District Financials ▪ Approve FY2015 Hospital Audit ▪ Hospital Board Member Election Ad Hoc Committee Report ▪ Pacing Plan ▪ Strategy ▪ Board Processes ▪ American Heart Association Initiative 	No Meeting	No Meeting

FY2016: Q3		
JANUARY 19, 2016	FEBRUARY 2016	MARCH 15, 2016
<ul style="list-style-type: none"> ▪ Recognition (As Needed) ▪ Community Benefit Spotlight (If Time Allows) ▪ FY 2016 YTD ECHD Financials ▪ Hospital Board Member Election Ad Hoc Committee Report (if necessary) ▪ Pacing Plan ▪ Bi Annual By-Laws Review (done in FY15) ▪ Bi-Annual Reserve Powers Review (done in FY15) ▪ Tobacco Securitization Authority Report ▪ AHA Initiative ▪ MayView Grant ▪ Media Policy 	<p style="text-align: center;">No Meeting</p>	<ul style="list-style-type: none"> ▪ Recognition (As Needed) ▪ Community Benefit Spotlight (If Time Allows) ▪ FY 2016 YTD ECHD Financials ▪ Hospital Board member Election Ad Hoc Committee Report (if necessary) ▪ Consider Re-Election of ECH Board member with term expiring June 30, 2015. ▪ Prepare For November Election ▪ ECHD Board Chair Assessment ▪ Pacing Plan
FY2016: Q4		
APRIL 2016	MAY 17, 2016	JUNE 14, 2016
<p style="text-align: center;">No Meeting</p>	<ul style="list-style-type: none"> ▪ Approval of Minutes ▪ Consider Re-Election of ECH Board member with term expiring June 30, 2015 	<ul style="list-style-type: none"> ▪ Recognition (As Needed) ▪ Community Benefit Spotlight (If Time Allows) ▪ 2016 YTD ECHD Financials ▪ Tax Appropriation for FY2017 ▪ District Capital Outlay Fund ▪ Review and Approve FY 2017 Pacing Plan ▪ Approval of FY 2017 Community Benefit Plan ▪ Approve ECH FY 2017 Budget ▪ Approve ECHD FY 2017 Budget ▪ Appoint Hospital Board Member Election Ad Hoc Committee ▪ Report on ACHD and DHLF

ATTACHMENT 8

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Mountain View RotaCare Clinic Transition and Expanded Primary Care Services and Immunization Services for Low-Income District Residents Date: January 19, 2016
Responsible Party:	Cecile Currier, VP Corporate and Community Health Services and President, CONCERN, EAP Barbara Avery, Director, Community Benefit
Action Requested:	For Approval
<p>Background:</p> <p>El Camino Healthcare District has funded the Mountain View RotaCare Clinic for many years. For FY16 the Board approved \$819,781 for primary care services at RotaCare and \$171,851 for its immunization program. Over the past few years, the number of patient visits has declined substantially, likely because of economic changes resulting in patients relocating outside the District and the expansion of Medi-Cal coverage to more low-income individuals. At the same time, the health needs of those who remain uninsured or underinsured have changed. The need for preventive care (versus episodic care) and a stable “medical home” are paramount. As such, maintaining the current RotaCare service delivery model is not in the best interest of patients given the changing healthcare and community landscape. Two options were evaluated to address this evolving dynamic:</p> <p><u>A. Part-Time RotaCare Clinic</u></p> <p>Some RotaCare clinics do operate on a part-time basis. This has not been our approach and is not in the best interests of our patients.</p> <ol style="list-style-type: none"> 1. Reduced hours → less access for patients. Since the RotaCare Clinic delivery model is intended to provide episodic care, less access would disadvantage those patients needing medical care in a timely manner. 2. If the clinic were to only open 2 to 3 days per week, we could not guarantee good continuity of care, especially for those with chronic disease. 3. There are several regular, paid staff members who are critical to the operation of the clinic. It would be extremely challenging to find competent staff willing to work such reduced schedules. <p><u>B. Expansion of Primary Care and Immunization Services at MayView Community Health Center</u></p> <p>The consensus recommendation is to provide a multiyear grant to MayView to bolster their existing services while transitioning RotaCare Clinic patients to MayView over the next several months. There are numerous reasons why this transition to MayView (to whom the District granted \$137,320 for FY16) is in the best interest of RotaCare patients. MayView is a trusted</p>	

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

	<p>provider already serving the area, its clinics are open five days a week and the Mountain View clinic is also open two evenings a week and every other Saturday. With a team of bilingual clinical support staff who speak a variety of languages fluently (e.g. Spanish, Farsi, Hindi, and Russian), MayView embraces the linguistic and cultural differences of their diverse patient population. MayView provides a broad range of affordable, culturally competent, general medical care, prenatal care, pediatric care, chronic disease management, cancer screening, and other preventive services. In essence, MayView truly becomes a “medical home” for their patients. For these reasons, we strongly support the recommendation to provide financial resources to MayView to bolster their existing services while transitioning RotaCare Clinic patients to MayView over the next several months.</p> <p>Please see the attached Proposal Summary for additional information.</p>
	<p>Committees that reviewed the issue and recommendation, if any:</p> <p>Community Benefit Advisory Council</p> <ul style="list-style-type: none">• Overwhelming support for approving the \$2.4 million grant (over 3.5 years) to MayView Community Health Center while transitioning Mountain View RotaCare patients to MayView over the next several months.
	<p>Summary and session objectives:</p> <p>To obtain approval of a \$2.4 million grant to MayView Community Health Center over the next 3.5 years to transition existing Mountain View RotaCare patients and to serve low-income residents and the residual uninsured in the District.</p>
	<p>Suggested discussion questions:</p>
	<p>Proposed board motion, if any:</p> <p>To approve \$2.4 million for MayView Community Health Center over the next 3.5 years</p>
	<p>LIST OF ATTACHMENTS:</p> <p>MayView Community Health Center Proposal Summary</p>



ECHD Community Benefit Grant Program

Date: 1/19/16

Proposal Summary

Organization: MayView Community Health Center
Address: 900 Miramonte Ave., Mountain View, CA 94040
Organizational Annual Budget: \$5,552,385
Full-Time Employees: 31
Part-Time Employees: 12

Grant Period: January 2016-June 2019
Request Amount: \$2,400,000
Current FY Funding: \$137,320
Prior Year Funding: \$125,000

Organizational Background:

MayView Community Health Center has provided primary health care services to low-income and uninsured populations in northern Santa Clara County since 1972. In FY15, MayView cared for approximately 7,000 patients at its clinics located in Mountain View, Sunnyvale, and Palo Alto. MayView's mission is to provide high quality primary health care to uninsured, low-income people of all cultural and ethnic backgrounds, regardless of their ability to pay.

As the only Federally Qualified Health Center (FQHC) Look-Alike community clinic in northern Santa Clara County, MayView is an essential part of the health care safety net to ensure that vulnerable populations have access to medical care when and where they need it. As an FQHC, MayView offers services to all persons, regardless of their ability to pay. They also provide a sliding fee discount program and have an ongoing quality assurance program. In 2016, patients at or below 100% of the federal poverty level will only pay \$20 per visit regardless of the procedures or complexity of the services received. However, no patient is ever denied services for inability to pay.

MayView provides affordable, culturally competent, general medical care, prenatal care, pediatric care, chronic disease case management, cancer screening, family planning, and other preventive services. MayView meets the primary care needs of individuals/families living in medically underserved and vulnerable communities, and addresses the barriers to care for the low-income populations in their service area. In 2015, they launched efforts formally demonstrating how they create a patient-centered health home. Their clinics offer a comprehensive system of care that enhances access and population health management through team-based care and care coordination.

MayView clinics are easy to reach from neighborhoods with high concentrations of Latino/Hispanic, Asian, and Eastern European immigrants. With a team of bilingual clinic support staff who speak a variety of languages fluently (e.g. Spanish, Farsi, Hindi, and Russian) as well as through the utilization of language access services, MayView embraces the rich linguistic and cultural differences of their diverse patients and community members. Over 70% of MayView patients reside in Mountain View and Sunnyvale. 91% of current patients have incomes under 200% of the federal poverty level. 67% have Medi-Cal coverage. Previously uninsured patients at MayView have been able to access expanded Medi-Cal and Covered California insurance, and as a result, the percentage of uninsured patients has dropped below 40% for the first time in the history of the organization.



Program Description:

MayView Community Health Center seeks to deepen its partnership with El Camino Healthcare District (ECHD) to provide health care services to Mountain View RotaCare Clinic patients and to serve the residual uninsured in the District. MayView cared for 1,900 of those uninsured patients in the past year and welcomes serving even more transitioning from RotaCare.

MayView requests \$2,400,000 to provide access to health care services from January 2016 – June 2019 to uninsured patients who are District residents. Services will include general medical care, pediatric care, immunization services, prenatal care, family planning, chronic disease management, social work and preventive services like cancer screening and tobacco cessation. The primary goal of this proposed project is to build internal capacity to deliver primary and preventive health care for the patients transitioning from RotaCare to MayView clinics in Mountain View and Sunnyvale. MayView will also reach out to residual uninsured individuals in the District who do not currently receive medical care at any facility.

Services at MayView are provided by licensed physicians, nurse practitioners, specializing in family practice, pediatrics, and Ob/Gyn. These primary care providers work with a care team that includes a Medical Assistant, Patient Services Coordinator, Registered Nurse, Social Worker, and Care Coordinator to offer acute, preventive, and chronic disease care to MayView patients. Care management services are designed to help patients achieve improvements in specific outcomes measures. Care coordinators work with the medical team in pre-visit planning, health coaching, post-visit follow-up, and communication to help patients achieve their goals for health outcome improvements. These efforts are particularly focused on patients managing chronic disease, particularly diabetes.

MayView's expectation and desired outcome resulting from this transition is the establishment of a strong, long-term collaborative partnership between MayView and ECHD to ensure that low-income and uninsured residents of the District have a medical home. MayView is preparing to provide at least 1,500 visits to former RotaCare patients to MayView by June 30, 2016. MayView will also meet the increasing need for immunization services in a timely manner. The immunization clinic is open one day a week at both Mountain View (Wednesdays) and Sunnyvale (Tuesdays) sites.

In addition, MayView is interested in establishing provider volunteer opportunities and is actively engaging in activities to create the infrastructure and processes necessary to accommodate those volunteers. It is the hope that many RotaCare volunteers will transition to serving at MayView.



Grant Budget:

El Camino Healthcare District Grant Request					
	Total Budget	Year One (6-months) Request from ECHD	Year Two Request from ECHD	Year Three Request from ECHD	Year Four Request from ECHD
Personnel Expenses					
<i>Positions:</i>	<i>Amount:</i>				
Physician, Nurse Practitioner, Licensed Clinical Social Worker, Medical Assistant, Registered Nurse, Patient Services Coordinator, and HER Specialist (Full or Partial Salaries, Benefits)					
Personnel Subtotal:	\$ 2,025,280	\$ 191,819	\$ 612,768	\$ 611,672	\$ 609,022
Non-Personnel Expenses					
<i>Items:</i>	<i>Amount:</i>				
Lab Services, Fees & Purchased Services, Vaccinations, Processing New Patient Data/Electronic Transfer of Records, Recruitment Fee, Regulatory Filing Consultant Fees, Software Licenses					
Non-Personnel Subtotal:	\$ 338,193	\$ 73,665	\$ 85,222	\$ 88,328	\$ 90,978
Indirect Costs					
Agency overhead and administrative expenses					
Indirect Costs	\$ 36,527	\$ 34,516	\$ 2,010	\$ -	\$ -
Total Grant Expenses					
Total Expenses	\$ 2,400,000	\$ 300,000	\$ 700,000	\$ 700,000	\$ 700,000

ATTACHMENT 9

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Status update on the Board approval of the El Camino Healthcare District and American Heart Association collaboration in concept ECHD Board of Directors Board Meeting Date: January 19, 2016
Responsible party:	Sharan Johal, Community Benefit Staff Sang Mi Oh, VP Multicultural Initiatives, American Heart Association Kelvin Quan, CEO, MayView Community Health Center
Action requested:	For Information
Background:	The El Camino Healthcare District Board of Directors approved a collaboration in concept between the El Camino Healthcare District, American Heart Association, and other community partners in October, 2015.
Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives :	<ul style="list-style-type: none"> • Provide a status update on the conceptual collaboration between the District, American Heart Association, and community partners <ul style="list-style-type: none"> ○ Describe hypertension as a local community health need ○ Examine current and prospective opportunities for intervention focused on addressing hypertension within the District ○ Provide an overview of the conceptual scope of work within the framework of the four pillars of intervention to demonstrate the collaborative implementation of the American Heart Association’s hypertension initiative at MayView Community Health Center ○ Obtain Board feedback
Suggested discussion questions:	None. This is an informational item.
Proposed board motion, if any:	None. This is an informational item.
LIST OF ATTACHMENTS:	FY16 American Heart Association Collaboration in Concept Status Update PowerPoint.



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American Heart Association Collaboration in Concept Status Update

Sang-Mi Oh, MHA, Vice President Multicultural Initiatives, American Heart Association

Sharan Johal, MPH, Community Benefit, El Camino Hospital

Kelvin Quan, JD, EdD, MPH, CEO, MayView Community Health Center

January 19, 2016

Background

- In October 2015, El Camino Healthcare District Board of Directors approved a collaboration in concept between the El Camino Healthcare District, American Heart Association, and other community partners.
- Today's goal is to provide a status update on this conceptual collaboration.
- The project is gaining traction with a partnership between:
 - El Camino Healthcare District
 - American Heart Association
 - MayView Community Health Center

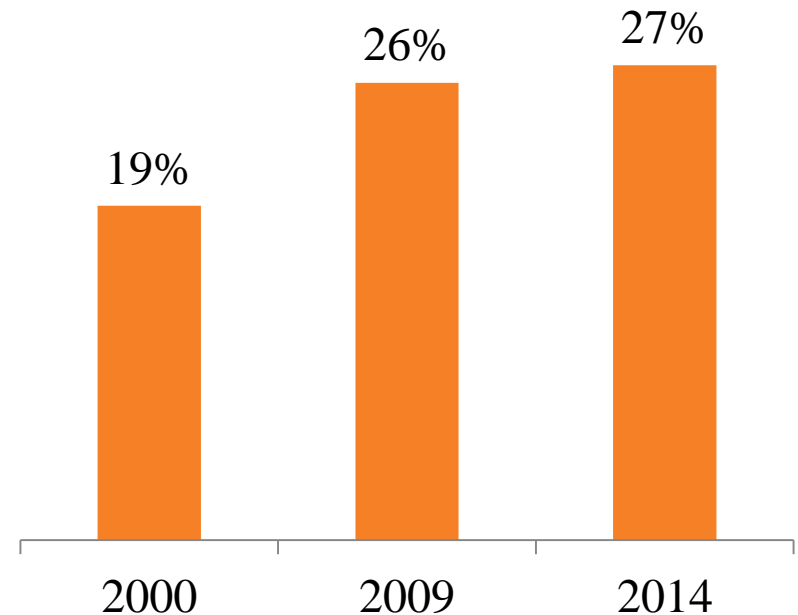


Addressing Hypertension as a Community Need

- Since 2000, the percentage of adults in Santa Clara County who have ever been diagnosed with high blood pressure has been increasing
- More than 50% of residents 65+ have been diagnosed with high blood pressure*
- Blood pressure is the risk most amenable to change
- The risk of stroke, cardiovascular and renal diseases can be reduced through blood-pressure-lowering treatment and lifestyle changes

* *Santa Clara County Behavioral Risk Factors Survey*

*Percentage of adults in Santa Clara County who have ever been diagnosed with high blood pressure**



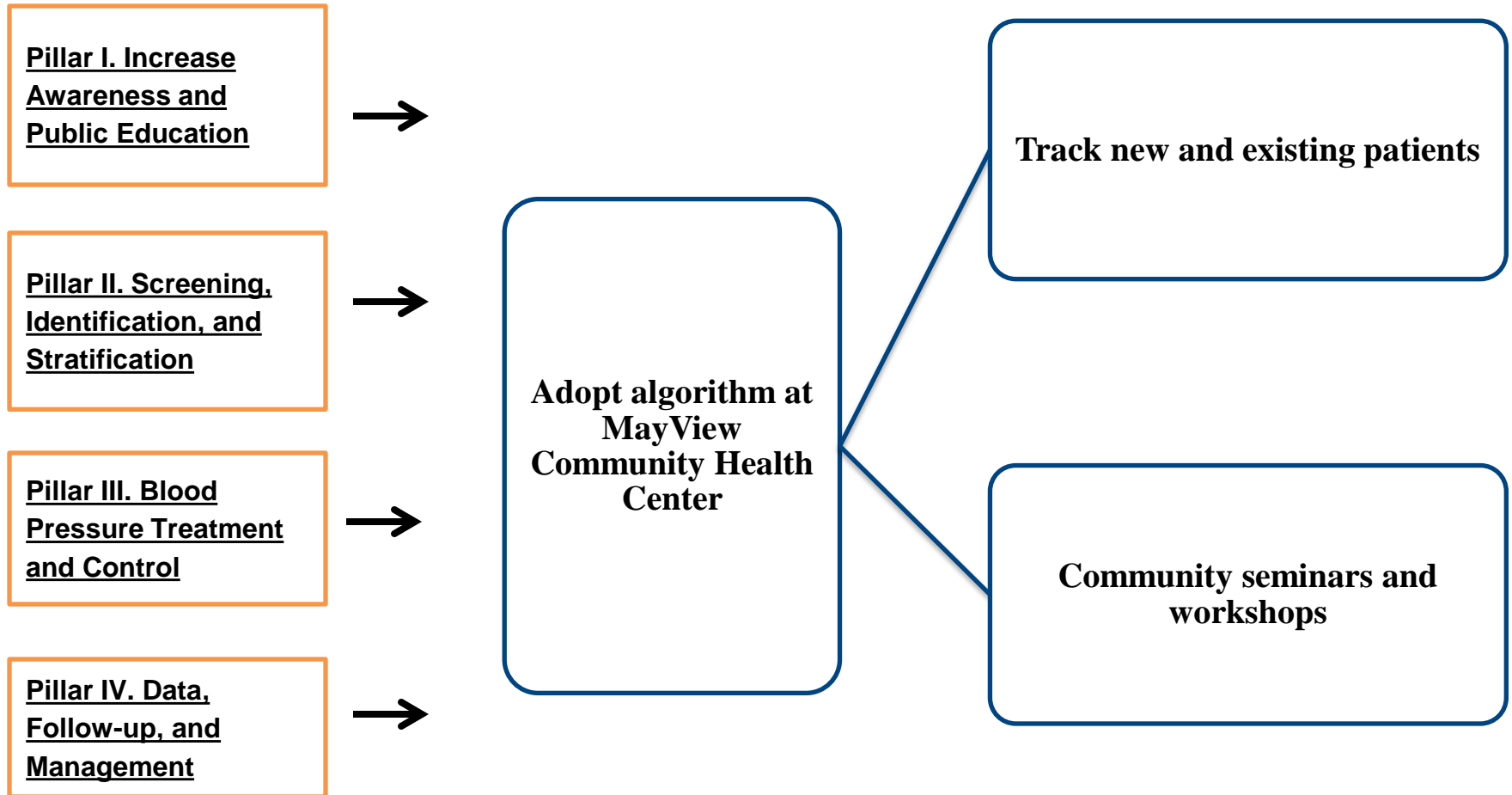
Snapshot of Current Opportunities for Intervention

<u>Blood Pressure Screening Opportunity</u>	<u>Approximate Date</u>	<u>Estimated People Served</u>	<u>Location</u>	<u>Conduct Blood Pressure Screening?</u>
Heart Events	February	Varies	El Camino Hospital – Mountain View or Los Gatos Campus	No
Heart Health Forum	March	150 people	El Camino Hospital - Mountain View Campus	No
Sunnyvale Health and Safety Fair	May	~ 200 people	Columbia Neighborhood Center	No
Stroke Screening	May	124 people	El Camino Hospital – Mountain View or Los Gatos Campus	No
Men’s Health Fair	June	200 – 300 people	El Camino Hospital - Los Gatos Campus	No
Challenge Diabetes Program	July/August	420 people	Community Services Agency- Mountain View, Sunnyvale Community Services	No
Women’s Health Forum	Fall	150 people	El Camino Hospital - Mountain View or Los Gatos Campus	No
Chinese Health Initiative	On-going	Goal: 300 people	Varies	Yes
Health Library and Resource Center	On-going		El Camino Hospital – Mountain View or Los Gatos Campus	Yes
Keas	On-going	500	Online Platform - El Camino Hospital Employee Wellness	Yes
South Asian Heart Center	On-going	1,000 people	South Asian Heart Center	Yes
South Asian Heart Center Health Fairs	On-going	800 people	Varies	Yes



MayView – A Partner in the Hypertension Initiative

Roadmap for Collaboration in Concept



MayView and The American Heart Association – Partners in the Hypertension Initiative

Conceptual Scope of Work

- **Increase Awareness and Public Education**

- **Target Audience** – All district residents. Priority – unidentified & High Risk populations
- **Public Awareness Campaign** – Social Media, community events, volunteers
- **Community Outreach** – via Health Hubs – Community based health engagement activities “Reaching people where they are”
- **Patient Education** – Providers equipped to best manage HBP patients
- **Community Education Forums** – Quarterly Workshop Series

- **Screen, Identification, and Stratification**

- **Development of Hypertension Clinics** – Monthly Walk-In Clinics to screen HBP patients
- **Development of Health Hubs** - Community focused effort to increase awareness and identify Hypertension in collaboration with community partners.



MayView and The American Heart Association – Partners in the Hypertension Initiative

Conceptual Scope of Work

- **Blood Pressure Treatment and Control**
 - **Hypertension Treatment Algorithm** – adoption of the American Heart Association, Center for Disease Control & American College of Cardiology Algorithm
 - **Target BP:** Nationwide initiative to help healthcare providers and patients achieve better blood pressure control. AHA & AMA will recognize providers that attain high levels of target adherence
- **Data, Follow-up and Management**
 - **Self Tracking** : www.heart360.org, Quardio, eHeart Study, CGI, other
 - **Proper Utilization of EHR:** NextGen tracking of current and new patients (Compare over time: 10months, 15 months, 24 months)
 - **Random Sampling of HBP Patients through Check.Change.Contol Program:** recruit, educate, monitor and retain 100 HBP patients



Next Steps

- The proposal from The American Heart Association will go through the Community Benefit grant application process for funding recommendation in February, 2016 and then to the El Camino Healthcare District Board of Directors for approval in June 2016



ATTACHMENT 10



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Board Finance Presentation
Fiscal Year 2016
7/1/2015 - 11/30/2015

Iftikhar Hussain, CFO

El Camino Healthcare District Board of Directors Meeting

January 19, 2016

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ECHD Stand-Alone Financial Statements

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Statement of Fund Balance Activity as of November 30, 2015 Page 8

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NOTE: Accounting standards require that audited financial statements for El Camino Healthcare District be presented in consolidated format, including El Camino Hospital and its controlled affiliates. In an effort to help ensure public accountability and further ensure the transparency of the District’s operations, the District also prepares internal, “Stand-Alone” financial statements which present information for the District by itself.



El Camino Healthcare District

Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

		June 30, 2015		June 30, 2015	
	Nov 30, 2015	Audited w/o Eliminations		Nov 30, 2015	Audited w/o Eliminations
<u>ASSETS</u>			<u>LIABILITIES & FUND BALANCE</u>		
Current Assets			Current Liabilities		
Cash & Investments	\$194	\$221	Accounts Payable & Accrued Exp	\$85	\$100
Patient Accounts Receivable, net	\$99	\$96	Bonds Payable - Current	8	8
Other Accounts and Notes Receivable	\$7	\$5	Bond Interest Payable	4	4
Inventories and Prepays	\$39	\$44	Other Liabilities	3	3
Total Current Assets	340	366	Total Current Liabilities	101	115
Board Designated Assets			Deferred Revenue	1	1
Foundation Reserves	14	15	Long Term Liabilities		
Community Benefit Fund	20	5	Bond Payable	365	367
Operational Reserve Fund	102	102	Benefit Obligations	41	40
Workers Comp, Health & PTO Reserves	68	64	Other Long-term Obligations	4	4
Other Board Designated Reserves	152	148	Total Long Term Liabilities	410	410
Total Board Designated Assets	354	333	Fund Balance		
Funds Held By Trustee	47	50	Unrestricted	950	970
Long Term Investments	203	207	Board Designated & Restricted	240	214
Other Investments	34	34	Capital & Retained Earnings	15	14
Net Property Plant & Equipment	701	698	Total Fund Balance	1,204	1,198
Other Assets	37	35			
Total Non-Designated Assets	1,022	1,025			
TOTAL ASSETS	\$1,716	\$1,724	TOTAL LIAB. & FUND BAL.	\$1,716	\$1,724



Note: Totals may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

Consolidated Statement of Revenues & Expenses (\$ Millions)

Year-to-Date through November 30, 2015

(Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>
Net Patient Revenue ⁽¹⁾	312	308	4
Other Operating Revenues	16	14	2
Total Operating Revenues	328	322	6
Wages and Benefits	179	177	(2)
Supplies	48	46	(2)
Purchased Services	44	45	1
Other	17	12	(5)
Depreciation	19	18	(1)
Interest	2	2	0
Total Operating Expense ⁽²⁾	310	300	(10)
Operating Income	19	22	(3)
Non-Operating Income ⁽³⁾	(7)	16	(23)
Net Income	11	38	(27)



Note: Totals or variances may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

Notes to Consolidated Financial Statements

(Includes El Camino Hospital)

- (1) Net patient revenue was above budget by approximately \$4.0M due primarily to the partial release of the FY 2015 Patient Refund Liability Reserve which a portion was no longer needed as potential claims have been closed out. Acute inpatient discharges were less than budget by 2.7%, Emergency Room visits were less than budget by 2.5%, and deliveries were less than budget by 10.1%.
- (2) The negative variance of approximately \$10M is primarily due to: 1) significant increase for labor expense (both internal and outside registries) in support of the go-live of EPIC on November 7; 2) pharmacy expense (infusion drugs) and medical supplies in both the Surgical and Interventional Services units; and 3) the costs incurred in training nearly the entire employee base in the use of the EPIC system and a budgeted credit in the FY 2016 year for the Premier initiatives that are to be implemented in the second half of FY 2016.
- (3) The \$23M negative variance is principally due the unrealized losses on investments that incurred in the stock market in August and September which have rebounded somewhat as we moved into October and November.



El Camino Healthcare District

Stand-Alone Comparative Balance Sheet (\$ Thousands)

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

	Nov 30, 2015	June 30, 2015		Nov 30, 2015	June 30, 2015
<u>ASSETS</u>			<u>LIABILITIES AND FUND BALANCE</u>		
Cash & cash equiv	\$ 1,811	\$ 2,320	Accounts payable ⁽⁸⁾	\$ 198	\$ 171
Short term investments	876	4,402	Current portion of bonds	2,485	2,065
Due from Retiree Health Plan ⁽¹⁾	0	3	Bond interest payable	2,055	2,559
S.C. M&O Taxes Receivable	2,406	0	Other Liabilities	0	0
Total current assets	<u>\$ 5,093</u>	<u>\$ 6,725</u>	Total current liabilities	<u>\$ 4,738</u>	<u>\$ 4,795</u>
Operational Reserve Fund ⁽²⁾	1,500	1,500	Deferred income	8	44
Capital Appropriation Fund ⁽³⁾	9,298	9,298	Bonds payable - long term	133,975	136,460
Capital Replacement Fund ⁽⁴⁾	4,480	4,367	Total liabilities	<u>\$ 138,720</u>	<u>\$ 141,299</u>
Community Benefit Fund ⁽⁵⁾	6,465	3,021	 		
Total Board designated funds	<u>\$ 21,743</u>	<u>\$ 18,186</u>	Fund balance		
 			Unrestricted fund balance	\$ 38,227	\$ 36,397
Funds held by trustee ⁽⁶⁾	<u>\$ 11,838</u>	<u>\$ 12,405</u>	Restricted fund balance ⁽⁹⁾	(126,676)	(128,679)
Capital assets, net ⁽⁷⁾	<u>\$ 11,596</u>	<u>\$ 11,700</u>	Total fund balance	<u>\$ (88,450)</u>	<u>\$ (92,282)</u>
TOTAL ASSETS	<u><u>\$ 50,270</u></u>	<u><u>\$ 49,016</u></u>	TOTAL LIAB & FUND BAL	<u><u>\$ 50,270</u></u>	<u><u>\$ 49,016</u></u>



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

YTD **Stand-Alone** Stmt of Revenue and Expenses (\$ Thousands)

Year-to-Date November 30, 2015

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

	Actual	Budget	Fav (Unfav) Variance
Other revenue ⁽¹⁰⁾	37	37	\$ (0)
Total operating revenue	\$ 37	\$ 37	\$ (0)
Professional fees and purchased services ⁽¹¹⁾	\$ 168	\$ 188	\$ 20
Depreciation	105	104	(1)
Supplies	-	-	-
Other	74	38	(36)
Total operating expenses	\$ 347	\$ 330	\$ (17)
Income (loss) from operations	\$ (310)	\$ (293)	\$ (17)
Investment income, net	\$ 9	\$ 44	\$ (35)
Other income	86	84	2
Redevelopment taxes ⁽¹²⁾	-	96	(96)
County taxes-unrestricted ⁽¹²⁾	2,984	2,864	120
County taxes-restricted ⁽¹²⁾	2,080	2,104	(24)
G. O. Tax Revenues ⁽¹²⁾	3,885	3,833	51
Total non-oper income	\$ 9,044	\$ 9,025	\$ 19
IGT expense ⁽¹³⁾	\$ (217)	\$ -	\$ (217)
G.O. bond interest expense ⁽¹⁴⁾	\$ (1,954)	\$ (1,957)	\$ 3
Donations to Outside Organizations ⁽¹⁵⁾	\$ (2,947)	\$ (2,595)	\$ (352)
Total non-oper expenses	\$ (5,118)	\$ (4,552)	\$ (566)
Total non-operating revenues and expenses	\$ 3,926	\$ 4,473	\$ (547)
Net Income (loss)	\$ 3,616	\$ 4,180	\$ (564)



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

YTD **Stand-Alone** Stmt of Fund Balance Activity (\$ Thousands)

*These financial statements **exclude** the District's El Camino Hospital Corporation and its controlled affiliates*

Beginning balance (6/30/15)		\$	(92,282)
Net income year-to-date		\$	3,616
Transfers (to)/from ECH:			
IGT Funding ⁽¹⁶⁾			216
Total year-to-date activity			3,832
Ending balance (11/30/15)		\$	(88,450)



Note: Totals may not agree due to rounding. See page 10 for footnotes.

El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- (1) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (2) **Operating Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) **Capital Appropriation Fund** – Formerly known as the Capital Outlay Fund, which accumulates at the end of each fiscal year those M&O property taxes that are over the Gann limit and thus become restricted for plant and equipment projects. This amount reflects the accumulation of the fiscal years ended 2014 and 2015. Note, at each fiscal year end the amount placed into this fund must be board designated for a capital project (must be a value greater than \$100,000 and a minimum life of 10 years) within the next two fiscal years.
- (4) **Capital Replacement Fund** – Formerly known as the Plant Facilities Fund (AKA - Funded Depreciation) which reserves monies for the major renovation or replacement of the portion of the YMCA (Park Pavilion) owned by the District.
- (5) **Community Benefit Fund** – Newly established fund at the District in FY 2014, as the District retains its unrestricted M&O property taxes to pay for its operations and support its Community Benefit Program.
- (6) **Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (7) **Capital Net Assets** - The land on which the Mountain View Hospital resides, a portion of the YMCA building, and a vacant lot located at El Camino Real and Phyllis.
- (8) **Accounts Payable and Accrued Expenses** – Expenses due which have not yet been paid.
- (9) **Fund Balance** – The negative fund balance is a result of the General Obligation bonds which assisted in funding the replacement hospital facility in Mountain View. Accounting rules required the District to recognize the obligation in full at the time the bonds were issued ; receipts from taxpayers will be recognized in the year they are levied, slowly reducing the negative fund balance over the next 20 years.



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- (10) **Other Operating Revenue** – Lease income from El Camino Hospital for its ground lease with the District.
- (11) **Professional Fees & Services** – District operating expenses, mostly services provided by El Camino Hospital and professional consulting fees.
- (12) **Taxes: Redevelopment, M&O, G.O.** – Tax receipts (either received or to be received) during the period.
- (13) **IGT Expense** – Participation thus far in Inter Governmental Transfer program for FY 2016.
- (14) **G.O. Bond Interest Expense** – Expense includes bond interest expense accruing on the District's debt and other related bond expense.
- (15) **Donations to Outside Organizations** – Starting in FY 2014, the District is directly operating its Community Benefit Program at the District level. This represents amounts expended to grantees and sponsorships thus far in this fiscal year .
- (16) **IGT Funding** – Transfers from ECH for participation in program thus far in FY 2016.



ATTACHMENT 11

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Draft Media Policy El Camino Healthcare District Board of Directors January 19, 2016
Responsible party:	Mary Rotunno, General Counsel
Action requested:	For Discussion and Possible Motion
Background:	At its October 20, 2015 meeting, the ECHD Board discussed whether a Media Policy should be adopted for the District since the El Camino Hospital Board recently approved a Media Relations Policy for hospital employees and Board members. The ECHD Board requested that a draft Media Policy be prepared for the January meeting consistent with the Association of California Healthcare District's position as presented in the attached materials.
Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives :	<ul style="list-style-type: none"> • Review and discuss the draft Media Policy and consider possible motion for approval.
Suggested discussion questions:	<ol style="list-style-type: none"> 1. Whether the CEO should be designated as the official ECHD spokesperson. 2. Whether the draft policy clearly articulates a District Board member's right to speak as an individual without representing ECHD.
Proposed board motion, if any:	Motion to approve Media Policy as proposed.
LIST OF ATTACHMENTS:	<ol style="list-style-type: none"> 1. Draft Media Policy 2. Memo Re: Other Special District Practices



2500 Grant Road
Mountain View, CA 94040
Phone: 650-940-7300
www.elcaminohealthcaredistrict.org

BOARD OF DIRECTORS

Date: El Camino Healthcare District Board Meeting –
January 19, 2016

To: El Camino Healthcare District (“ECHD”) Board

From: Chris Ernst, VP. Marketing and Communications

Subject: Draft Media Policy

Board Action: **For Discussion/Possible Motion**

Dennis W. Chiu, JD
Peter C. Fung, MD
Julia E. Miller
David Reeder
John L. Zoglin

Summary:

This is being brought forward, pursuant to this Board’s request, for the Board’s consideration following adoption of a Media Policy by the ECH Board of Directors that is applicable to El Camino Hospital employees, volunteers and Board members. As a starting point, we inquired into the practices of other California Special Districts by (1) speaking with Ken Cohen, Executive Director of the Association of California Healthcare Districts and (2) eliciting responses from other Special Districts through the CSDA list serve. All responses we received are included.

1. Ken Cohen, Executive Director of ACHD (Association of California Healthcare Districts): "As elected officials, district board members can speak to the media as individuals, but not on behalf of the hospital. Individual board members are not spokespeople for the board and do not represent board views. Official comments related to press inquiries or hospital issues need to be referred to the Chairman of the board or the hospital CEO."

2. The Guide to Good Governance for Hospital Boards | Center for Healthcare Governance - Board Policy on Confidentiality

Policy: Pursuant to the Duty of Loyalty, directors shall not disclose or discuss with another person or entity, the press or the public or use for their own purpose, confidential information concerning the business and affairs of the hospital received in their capacity as directors unless otherwise designated or authorized by the board. Every director shall ensure that no statement not authorized by the board for public comment is made by him or her to the press or public.

Application: This policy applies to all board and non-board committee members. No director shall make any statement to the press or the public in his capacity as a director unless such statement has been authorized by the board.

Dedicated to improving the health and well-being of the people in our community.

**3. Sequoia Healthcare District:
POLICY PUBLIC INFORMATION LIAISON**

The Chief Executive Officer shall serve as the Public Information Liaison to promote effective communications with the local community consistent with the mission of the District, as set by the Board.

4. Hesperia Recreation and Park District:

Media Policy: The General Manager and/or Board President shall serve as the official District spokesperson(s). They will convey the official District position on issues of general impact or significance or situations that are of a particularly controversial or sensitive nature.

Depending on the specific circumstances, the General Manger may designate a Supervisor and the Board President may designate another Board Member to serve as a spokesperson on a particular issue.

In the event of a crisis or emergency situation, the General Manager or Board President will handle all contact with the media and will coordinate the information flow from the District to the public. In such situations, all other Board Members and District divisions should refer calls from the media to the General Manager's office.

5. Rio Linda/Elverta Water District Press Policy:

Purpose. The purpose of this policy is to provide for an orderly presentation to the press of factual information about District activities and Board action.

Press Relations. The General Manager is hereby designated as the official of the District to represent the District to the press. Employees of the District shall refer all press inquiries to the General Manager. Directors and other District officials are encouraged to refer press inquiries regarding District activities and Board actions at meetings to the General Manager or the President of the Board. Individual Board members should take care not to represent their own opinions as those of the Board or the District, even when those opinions coincide with formal Board action.

It was determined by our district that the District Manager is the public relations officer due to conflicting stories being presented by our former Board members. It was felt there should be consistent information being provided to the press and public.

6. Morongo Valley Community Services District: Policy for Internal/External Communications

Purpose:

The primary responsibility of the Board of Directors is the formulation and evaluation of policy, for establishing and monitoring the District's progress in attainment of its goals and objectives in pursuit of its mission. The purpose of this policy is to provide direction to Morongo Valley Community Services District Board of Directors and staff in the

conduct of internal and external communications and in response to inaccurate, misleading or negative information discussed by the public.

Policy

Board members, staff and employees are recognized as the officials within the District who would be most likely sought as the spokespersons for the media and general public. The Board of Directors is the unit of authority within the District. Apart from their normal function as a part of this unit, Directors have no individual authority. As individuals, directors may not commit the District to any policy, act or expenditure.

Speaking For The District:

When Directors are asked for the District's position on an issue, the response should reflect the position of the District Board as a whole. A Director may clarify his/her position on an issue if requested to do so. However, any action by the Board of Directors is an action by the whole, and it is then the "District's position" on the matter. The official spokesperson for the District is the President of the Board or their designee. Commonly, that is a role of the President which may be conferred to the General Manager. When representing the District at meetings, functions or other venues that the Board of Directors has approved prior to such attendance, the Director can state the District's position but is restricted from stating their individual position on any issue which has previously been addressed as a position of the Board of Directors.

7. Marin Healthcare District: Staff Response to Inquiry

District Board members are asked to alert staff of media phone calls/requests but as elected officials they can speak freely with the press.

DRAFT MEDIA POLICY

Effective media relations are important to the El Camino Healthcare District and the residents we serve.

The CEO shall serve as the official ECHD spokesperson(s). The CEO or designee will convey the official ECHD position on all issues regarding District activities and ECHD Board actions. Depending on the specific circumstances, the CEO may designate El Camino Hospital's Vice President Marketing and Communications or Director of Government and Community Relations to serve as District spokesperson on a particular issue.

ECHD Board Members should refer all media inquiries regarding District activities and ECHD Board actions to the CEO's office. CEO will inform the ECHD Board Chair of media inquiries related to the District Board. ECHD Board members may respond to media inquiries for an individual opinion as an elected official, taking care not to represent their individual opinion as representative of the ECHD Board or the District.

Press releases regarding the El Camino Healthcare District shall be approved by the CEO or designee.

ATTACHMENT 12

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Resolution 2016-02 – Amendment to El Camino Hospital Bylaws Article IV, Sections 4.5 and 4.6 El Camino Healthcare District Board of Directors Board Meeting Date: January 19, 2016
Responsible party:	Cindy Murphy, Board Liaison
Action requested:	Approval
Background:	
<p>The term of service of non El Camino Healthcare District (“ECHD”) Board Members (“NDBMs”) referred to in the El Camino Hospital (“ECH”) Bylaws as the “2012 Directors” who serve as members of the ECH Board of Directors is currently three years, and the NDBMs may serve a maximum of 4 continuous terms. At its November 11, 2015 meeting, the ECH Board approved the Governance Committee’s recommendation to increase the length of term to 4 years, and at its January 13, 2016 meeting will consider the revision to its Bylaws proposed here.</p> <p>The proposed revisions provide for a maximum of three 4-year terms for NDBMs. Assuming the ECH Board approves the revisions, it is requested that the ECHD Board approves Resolution 2016 - 02 as required by the ECH Bylaws Article XVIII, Section 18.1.</p>	
Board Advisory Committees that reviewed the issue and recommendation, if any:	
None	
Summary and session objectives :	
To obtain approval of the proposed ECH Bylaws revisions.	
Suggested discussion questions:	
Does the District Board want to increase the term of Service for NDBM’s to a maximum of three 4-year terms?	
Proposed board motion, if any:	
To Approve Draft Resolution 2016-02 Amending Article IV Sections 4.5 and 4.6 of the ECH Bylaws.	
LIST OF ATTACHMENTS:	
Draft Resolution 2016 – 02 (REDLINES)	
Draft Resolution 2016 – 02 (CLEAN)	
Draft Amended and Restated El Camino Hospital Bylaws (REDLINES)	
Draft Amended and Restated El Camino Hospital Bylaws (CLEAN)	

EL CAMINO HEALTHCARE DISTRICT

DRAFT RESOLUTION 2016-02

Resolution of the Board of Directors of El Camino Healthcare District Amending Article IV of the Bylaws of El Camino Hospital by amending Sections 4.5 and 4.6.

WHEREAS, pursuant to Article XVIII, Section 18.1 of the Articles of Incorporation of El Camino Hospital, El Camino Healthcare District, as the sole voting member of El Camino Hospital, may adopt, repeal, amend and restate the Bylaws of El Camino Hospital without any action by El Camino Hospital or it may approve an amendment and restatement of the Bylaws of El Camino Hospital following approval of the Board of El Camino Hospital;

WHEREAS, the Board of Directors of El Camino Hospital adopted a resolution approving the amendment to its Bylaws set forth below and the restatement of such Bylaws at The Hospital Board meeting held on January 13, 2016;

WHEREAS, the Board of Directors of El Camino Healthcare District believes that it is in the best interests of El Camino Hospital and El Camino Healthcare District to so amend and restate the Bylaws of El Camino Hospital; now therefore, be it

RESOLVED, that Sections 4.5 and 4.6 of Article IV of the amended and restated Bylaws of El Camino Hospital are hereby amended in their entirety to read as follows:

4.5 Term.

(a) Years.

(i) The term of an ex officio Director described in Section 4.4 shall be the period of time such an ex officio Director holds the office described in Section 4.4.

(ii) A Director first elected by the Member pursuant to Section 4.4(c) effective September 1, 2012 shall serve a staggered term ending June 30, 2013, June 30, 2014 or June 30, 2015 as designated by a resolution of the Board. Any Director who is later appointed to replace such position or who is later appointed to a new term for such a position after the initial term expires shall serve a term of threefour (34) years. The Directors described in this subparagraph (ii) are referred to in these Bylaws as "2012 Directors."

(iii) All ~~other~~ Directors not listed in Section 4.5(a)(i) or (ii) shall hold office as a Director for a term of four (4) years from the date of election.

(iv) Any Director, other than a Director serving ex officio, shall serve for such Director's stated term and until his or her successor is duly elected and qualified, unless the Director resigns or is removed as provided in these Bylaws.

4.6 Term Limits.

(a) New Members.

(i) Any Director, ~~other than a Director serving ex officio, described in Section 4.5(a)(ii)~~ who first takes office during calendar year 2014, or any time thereafter, may only serve ~~threefour (34)~~ complete ~~fourthree (43)~~ year terms as a Director.

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(ii) ~~Any Director described in Section 4.5(a)(iii) who first takes office during calendar year 2014, or any time thereafter, may only serve three (3) complete four (4) year terms as a Director.~~

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(b) Current Members.

(i) Any Director, ~~other than a Director serving ex officio, described in Section 4.5(a)(ii)~~ who is serving as a Director as of January 1, 2014 may only serve ~~threefour (34)~~ complete ~~fourthree (43)~~ year terms as a Director beginning with such Director's next term of office that commences after January 1, 2014.

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(ii) ~~Any Director described in Section 4.5(a)(iii) who is serving as a Director as of January 1, 2014 may only serve three (3) complete four (4) year terms as a Director beginning with such Director's next term of office that commences after January 1, 2014.~~

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(c) Effect of Term Limit. The office of any Director subject to the limitation set forth in Section 4.6(a) or Section 4.6(b) shall terminate on the last day of the period described in Section 4.6(a) or Section 4.6(b) that is applicable to such Director.

(d) Election Following Term Limit. Any person who has left the Board due to the application of Section 4.6(a) or (b) may be elected to serve as a Director after two (2) years from the date such Director left the Board.

(e) New Term Limits. Any Director elected, as described in Section 4.6(d), after his or her term has been limited shall be subject to Section 4.6(a) beginning on the first day of such new term.

RESOLVED, that the Bylaws of El Camino Hospital shall be restated to include the foregoing amendments; be it further,

RESOLVED, that a certified copy of this Resolution shall be sent to the Secretary of El Camino Hospital for filing in El Camino Hospital's corporate records.

DULY PASSED AND ADOPTED at a Regular Meeting held on January 19, 2016 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Julia Miller, Secretary
ECHD Board of Directors

EL CAMINO HEALTHCARE DISTRICT

DRAFT RESOLUTION 2016-02

Resolution of the Board of Directors of El Camino Healthcare District Amending Article IV of the Bylaws of El Camino Hospital by amending Sections 4.5 and 4.6.

WHEREAS, pursuant to Article XVIII, Section 18.1 of the Articles of Incorporation of El Camino Hospital, El Camino Healthcare District, as the sole voting member of El Camino Hospital, may adopt, repeal, amend and restate the Bylaws of El Camino Hospital without any action by El Camino Hospital or it may approve an amendment and restatement of the Bylaws of El Camino Hospital following approval of the Board of El Camino Hospital;

WHEREAS, the Board of Directors of El Camino Hospital adopted a resolution approving the amendment to its Bylaws set forth below and the restatement of such Bylaws at The Hospital Board meeting held on October 8, 2014;

WHEREAS, the Board of Directors of El Camino Healthcare District believes that it is in the best interests of El Camino Hospital and El Camino Healthcare District to so amend and restate the Bylaws of El Camino Hospital; now therefore, be it

RESOLVED, that Sections 4.5 and 4.6 of Article IV of the amended and restated Bylaws of El Camino Hospital are hereby amended in their entirety to read as follows:

4.5 Term.

a) Years.

- i. The term of an ex officio Director described in Section 4.4 shall be the period of time such an ex officio Director holds the office described in Section 4.4.
- ii. A Director first elected by the Member pursuant to Section 4.4(c) effective September 1, 2012 shall serve a staggered term ending June 30, 2013, June 30, 2014 or June 30, 2015 as designated by a resolution of the Board. Any Director who is later appointed to replace such position or who is later appointed to a new term for such a position after the initial term expires shall serve a term of four (4) years. The Directors described in this subparagraph are referred to in these Bylaws as “2012 Directors.”
- iii. All Directors not listed in Section 4.5(a)(i) or (ii) shall hold office as a Director for a term of four (4) years from the date of election.
- iv. Any Director, other than a Director serving ex officio, shall serve for such Director’s stated term and until his or her successor is duly elected and qualified, unless the Director resigns or is removed as provided in these Bylaws.

4.6 Term Limits.

a) New Members.

Any Director, other than a Director serving ex officio, who first takes office during calendar year 2014, or any time thereafter, may only serve three (3) complete four (4) year terms as a Director.

b) Current Members.

Any Director, other than a Director serving ex officio, who is serving as a Director as of January 1, 2014 may only serve three (3) complete four (4) year terms as a Director beginning with such Director's next term of office that commences after January 1, 2014.

c) Effect of Term Limit.

The office of any Director subject to the limitation set forth in Section 4.6(a) or Section 4.6(b) shall terminate on the last day of the period described in Section 4.6(a) or Section 4.6(b) that is applicable to such Director.

d) Election Following Term Limit.

Any person who has left the Board due to the application of Section 4.6(a) or (b) may be elected to serve as a Director after two (2) years from the date such Director left the Board.

e) New Term Limits.

Any Director elected, as described in Section 4.6(d), after his or her term has been limited shall be subject to Section 4.6(a) beginning on the first day of such new term.

RESOLVED, that the Bylaws of El Camino Hospital shall be restated to include the foregoing amendments; be it further,

RESOLVED, that a certified copy of this Resolution shall be sent to the Secretary of El Camino Hospital for filing in El Camino Hospital's corporate records.

DULY PASSED AND ADOPTED at a Regular Meeting held on January 19, 2016 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Julia Miller, Secretary
ECHD Board of Directors

DRAFT REVISED: December 8, 2015~~October 9, 2014~~

**AMENDED AND RESTATED BYLAWS
OF
EL CAMINO HOSPITAL
ADOPTED
DECEMBER 7, 2005
AS AMENDED AND RESTATED**

October 21, 2014

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ARTICLE I
Corporate Offices

1.1 Principal Office. The principal office of El Camino Hospital, a nonprofit public benefit corporation (the “Corporation”), is located in Mountain View, California. The Corporation may have such other offices as the Board of Directors of Corporation (the “Board”) may determine from time to time.

1.2 Registered Office. The address of the registered office of the Corporation is 2500 Grant Road, Mountain View, California 94040.

ARTICLE II
Purposes, Powers and Membership

2.1 Purposes. The purposes of the Corporation are set forth in its Articles of Incorporation (the “Articles”).

2.2 Powers. The Corporation may engage in any activity consistent with the Articles and these Bylaws.

2.3 Membership Corporation. The Corporation shall have one voting Member: El Camino Healthcare District, a political subdivision of the State of California (the “Member”). The Corporation shall have no other voting members.

2.4 Exempt Activities. Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and regulations promulgated thereunder as they now exist or as they hereafter may be amended, or by an organization contributions to which are deductible under Section 170(c) of such Code and Regulations as they now exist or as they hereafter may be amended.

2.5 Termination of Membership. The membership of the sole Member shall terminate upon the resignation of the sole Member.

ARTICLE III
Meetings of Members

3.1 Place of Meetings. Meetings of the sole Member shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, meetings of the sole Member shall be held at the principal executive office of the Corporation.

3.2 Annual Meeting. There shall be an annual meeting of the sole Member held each year. The Board shall provide for the time and place of holding the annual meeting and notify the sole Member as provided in Section 3.3. At the annual meeting, directors shall be elected as

required by these Bylaws, reports of the affairs of the Corporation shall be considered, and any other business may be transacted that is within the power of the sole Member.

3.3 Notice of Annual Meeting. Written notice of each annual meeting shall be given to the sole Member entitled to vote, either personally, or by mail, or by other means of written communication, with charges prepaid, addressed to the sole Member at the sole Member's address appearing on the books of the Corporation or given by the sole Member to the Corporation for the purpose of notice.

All such notices shall be given to the sole Member entitled to the notice by mail or other means of written communication not less than ten (10) days (or, if sent by mail other than first-class, registered, or certified mail, twenty (20) days) nor more than ninety (90) days before each annual meeting. Any such notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of giving of any such notice in accordance with the foregoing provisions, executed by the Secretary or any transfer agent of the Corporation, shall be *prima facie* evidence of the giving of the notice.

The notice of the meeting shall specify:

- (a) the place, date, and hour of the meeting;
- (b) those matters which the Board, at the time the notice is given, intends to present for action by the sole Member;
- (c) if directors are to be elected, the names of all those who are nominees at the time the notice is given;
- (d) the general nature of a proposal, if any, to take action when approval of the sole Member is required with respect to (i) removal of directors without cause; (ii) the filling of vacancies on the Board; (iii) amendment of the Articles or these Bylaws; (iv) voluntary merger or dissolution of the Corporation; or (v) disposition of all or substantially all of the assets of the Corporation; and
- (e) such other matters, if any, as may be expressly required by law.

3.4 Special Meetings. A special meeting of the sole Member for any lawful purpose or purposes may be called at any time by the Chairperson of the Board or by the Board. In addition, a special meeting of the sole Member for the purpose of removal of directors and election of their replacements may be called by the sole Member.

3.5 Notice of Special Meetings. Upon request in writing that a special meeting of the sole Member be called, directed to the Chairperson, Vice Chairperson, or Secretary, by any person (other than the Board of Directors) entitled to call a special meeting of the sole Member, the officer forthwith shall cause notice to be given to the sole Member that a meeting will be held at a time fixed by the Board, not less than thirty-five (35) nor more than ninety (90) days after the receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the persons entitled to call the meeting may give the notice. Notice of any special

meeting of the sole Member shall be given in the same manner as for annual meetings of the sole Member. In addition to the matters required by Section 3.3(a) and, if applicable, Section 3.3(c) of these Bylaws, notice of any special meeting shall specify the general nature of the business to be transacted, and the fact that no other business may be transacted at the meeting.

3.6 Quorum. The presence in person or by proxy of the sole Member shall constitute a quorum for the transaction of business. Any meeting of the sole Member may be adjourned from time to time by the sole Member.

3.7 Adjourned Meeting and Notice. Except as provided below, when the sole Member's meeting, either regular or special is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. However, no meeting may be adjourned for more than forty-five (45) days. If after adjournment a new record date is fixed for notice or voting, notice of the adjourned meeting shall be given to the sole Member.

3.8 Voting.

(a) Except as may be otherwise provided in the Articles or these Bylaws, the sole Member shall be entitled to one vote on each matter being considered.

(b) Voting at a meeting of the sole Member may be by voice vote or by ballot.

3.9 Proxies.

(a) The sole Member may authorize another person or persons to act by proxy with respect to such membership. "Proxy" means a written authorization signed by the sole Member giving another person or persons power to vote on behalf of the sole Member. "Signed" for the purpose of this section means the placing of the sole Member's name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the sole Member. Any proxy duly executed is not revoked and continues in full force and effect until (i) a written instrument revoking it is filed with the Secretary of the Corporation prior to the vote pursuant to the proxy, (ii) a subsequent proxy executed by the person executing the prior proxy is presented to the meeting, or (iii) the person executing the proxy attends the meeting and votes in person; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed. No proxy may be irrevocable.

(b) In any election of directors, any form of proxy in which the directors to be voted upon are named as candidates and which is marked by the sole Member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.

3.10 Validation of Defectively Called or Noticed Meetings. The transactions of any meeting of the sole Member, however called and noticed, and wherever held, are as valid as

though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by these Bylaws or by the California Nonprofit Corporation Law to be included in the notice if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of the sole Member need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes of the meeting, unless otherwise provided in the Articles or these Bylaws, except the general nature of the proposals listed in Section 3.3(d) of these Bylaws must be specified, to the extent applicable, in any such waiver, consent, or approval.

3.11 Action Without a Meeting. Any action required or permitted to be taken by the sole Member may be taken without a meeting, if the sole Member consents in writing to the action. The written consent shall be filed with the minutes of the proceedings of the sole Member. The action by written consent shall have the same force and effect as the vote of the sole Member.

3.12 Rights of the Member. The Member shall have all rights granted to a member under the California Nonprofit Corporation Law. Without limiting the generality of the foregoing, the Member shall have the right to approve the election of directors, to approve the disposition of all or substantially all of the assets of the Corporation or to approve a merger and dissolution of the Corporation and the other rights set forth in the articles of incorporation and bylaws. In addition to the foregoing, the Member shall have the right to require the Corporation to provide to Member any financial information requested by the Member and to approve the following actions authorized by the Board of Directors of the Corporation:

1. To approve the selection of the Corporation's Chief Executive Officer;
2. To approve the annual budget of the Corporation;
3. To approve capital expenditures by the Corporation of more than \$25 million dollars in a single transaction;
4. To approve any expenditures or transfers by the Corporation in a single transaction apparent or a series of related transaction (in excess of 5% of the assets of the Corporation as determined based on last annual audit of the Corporation preceding the approval date of the proposed transaction);
5. To approve the overall strategy adopted by the Corporation.

ARTICLE IV Board of Directors

4.1 Management by Board of Directors. The business and affairs of the Corporation shall be managed by the Board, except as otherwise provided by law, the Articles, these Bylaws or a Board resolution.

4.2 Number of Voting Directors. The number of voting directors (“Directors”) of the Corporation shall not be less than five (5) nor more than nine (9) until changed by amendment of the Articles or by a bylaw amending this Section 4.2 duly adopted by the sole Member. The exact number of Directors shall be fixed from time to time, within the limit specified in the Articles or in this Section 4.2, by the sole Member.

4.3 Qualifications of Voting Directors.

(a) Commitment. Directors must be committed to the furtherance of health care delivery in the communities served by the Corporation, and must be willing to devote the necessary time and energy for self-education, corporate functions and other activities necessary to fulfill this commitment.

(b) Fiduciary Duty. Directors shall have a fiduciary duty to the Corporation, and shall make all decisions in a manner that is in the best interests of the Corporation and the communities served by the Corporation. Directors shall not advocate or act in the interests of any private person, group or entity unless such action is also in the best interests of the Corporation or the communities served by the Corporation.

(c) Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (i) any person being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the Corporation.

(d) Financial Interest. Except as permitted by the California Nonprofit Corporation Law, the California Health and Safety Code and any other provisions of law, Directors shall not have a “financial interest” in any transactions or contracts of the Corporation.

4.4 Appointment and Selection of Directors.

(a) Ex Officio Director. The Chief Executive Officer of this Corporation shall serve as an ex officio Director, with full voting rights; the voting right of the ex officio Director shall be suspended when the number of Directors in office is less than nine (9) except to the extent that the vacant positions are entirely among the 2012 Directors. The term of such Director shall end when his or her term of office as the Chief Executive Officer of this Corporation expires or terminates.

(b) Vacancies. In the event of a vacancy on the Board because no person holds the position designated in Section 4.4(a), such position on the Board shall remain vacant until a successor is appointed to the office described in Section 4.4(a). In the event that the office described in Section 4.4(a) no longer exists, the Member shall have the exclusive power to appoint a person to serve as a Director with respect to such position.

(c) Other Directors. All Directors, other than the ex officio Director, shall be nominated and elected by the Member.

(d) Replacement Directors. A Director, if any, who fills the unexpired term of a vacant Director position shall serve until the end of that unexpired term.

4.5 Term.

(a) Years.

(i) The term of an ex officio Director described in Section 4.4 shall be the period of time such an ex officio Director holds the office described in Section 4.4.

(ii) A Director first elected by the Member pursuant to Section 4.4(c) effective September 1, 2012 shall serve a staggered term ending June 30, 2013, June 30, 2014 or June 30, 2015 as designated by a resolution of the Board. Any Director who is later appointed to replace such position or who is later appointed to a new term for such a position after the initial term expires shall serve a term of threefour (34) years. The Directors described in this subparagraph (ii) are referred to in these Bylaws as “2012 Directors.”

(iii) All ~~other~~ Directors not listed in Section 4.5(a)(i) or (ii) shall hold office as a Director for a term of four (4) years from the date of election.

(iv) Any Director, other than a Director serving ex officio, shall serve for such Director’s stated term and until his or her successor is duly elected and qualified, unless the Director resigns or is removed as provided in these Bylaws.

4.6 Term Limits.

(a) New Members.

(+) Any Director, ~~other than a Director serving ex officio, described in Section 4.5(a)(ii)~~ who first takes office during calendar year 2014, or any time thereafter, may only serve threefour (34) complete fourthree (43) year terms as a Director.

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(ii) ~~Any Director described in Section 4.5(a)(iii) who first takes office during calendar year 2014, or any time thereafter, may only serve three (3) complete four (4) year terms as a Director.~~

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(b) Current Members.

(+) Any Director, ~~other than a Director serving ex officio, described in Section 4.5(a)(ii)~~ who is serving as a Director as of January 1, 2014 may only serve threefour (34) complete fourthree (43) year terms as a Director beginning with such Director’s next term of office that commences after January 1, 2014.

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~~(ii) Any Director described in Section 4.5(a)(iii) who is serving as a Director as of January 1, 2014 may only serve three (3) complete four (4) year terms as a Director beginning with such Director's next term of office that commences after January 1, 2014.~~

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(c) Effect of Term Limit. The office of any Director subject to the limitation set forth in Section 4.6(a) or Section 4.6(b) shall terminate on the last day of the period described in Section 4.6(a) or Section 4.6(b) that is applicable to such Director.

(d) Election Following Term Limit. Any person who has left the Board due to the application of Section 4.6(a) or (b) may be elected to serve as a Director after two (2) years from the date such Director left the Board.

(e) New Term Limits. Any Director elected, as described in Section 4.6(d), after his or her term has been limited shall be subject to Section 4.6(a) beginning on the first day of such new term.

4.7 Vacancy.

(a) A vacancy in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) the declaration by the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, or has been convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty under Sections 5230-38 of the California Corporations Code dealing with standards of conduct for directors; (iii) an increase in the authorized number of Directors; (iv) the failure of the sole Member, at any annual or other regular meeting of Member at which any Director or Directors are elected, to elect the full authorized number of Directors to be voted for at that meeting; or (v) the affirmative vote of the sole Member to remove a Director in accordance with the voting requirements of Section 5222 of the California Corporations Code as provided in Section 4.9 below.

(b) Vacancies in the Board may be filled only by the sole Member. Each Director appointed or elected to fill a vacancy shall hold office until his or her successor is elected at an annual or other regular meeting of the sole Member.

4.8 Resignation. Any Director may resign at any time by giving written notice to the Chairperson or the Secretary. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified in the resignation. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no Director may resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.

4.9 Removal. Any elected Director may be removed, with or without cause, at any time by the Member. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office. Each Director appointed or elected to fill a vacancy shall hold office until his or her successor is elected by the sole Member.

ARTICLE V
Certain Director Election Procedures

5.1 Nominating Committee. The Board shall appoint a Nominating Committee, a special committee, to select qualified candidates for election to the Board at least thirty (30) days before the date of any election of Directors. The committee shall make its report at least two (2) days before the date of the election, and the Secretary of the Corporation shall forward to the Member, with the notice of meeting required by Section 3.3 of these Bylaws, a list of candidates so nominated along with the names of any persons duly nominated by the Member as of that time.

5.2 Nominations by Member. The sole Member may nominate candidates for directorships at any time before the election. The Secretary shall cause the names of such candidates to be placed on the ballot along with those candidates named by the nominating committee. If there is a meeting to elect directors, the sole Member may place names in nomination.

ARTICLE VI
Board Meetings

6.1 Annual Meeting. An annual meeting of the Board shall be held each year, at which time officers of the Board shall be elected and such other business as is appropriate shall be transacted. Annual meetings shall be held at the location designated by the Board or at the principal office of the Corporation.

6.2 Regular Meetings. Meetings of the Board shall be held as directed by the Board, but at least quarterly at any place within or outside the State of California that has been designated by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Regular meetings may be held without notice.

6.3 Special Meetings.

(a) Authority to Call. Special meetings of the Board may be called for any purpose and at any time by the Chairperson, the Secretary, or any two (2) Directors.

(b) Manner of Notice. Notice of the time and place of special meetings shall be given to each Director by one of the following methods: by personal delivery of written notice; by first-class mail, postage paid; by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; by facsimile; or by telegram, charges prepaid. All such notices shall be addressed to or otherwise transmitted to the Director's address, facsimile number, or telephone number shown on the records of the Corporation. The notice shall specify the time and place of the meeting.

(c) Timing of Notice. Notices sent by first-class mail shall be deposited into a United States mail box at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile or telegram shall be given at least forty-eight (48) hours before the time set for the meeting.

6.4 Meetings by Conference Telephone. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at any such meeting.

6.5 Waiver of Notice. The transaction of business at any meeting of the Board, however called and noticed or wherever held, shall be valid as though held at a meeting that was duly held after regular call and notice, but only if a quorum is present and if, either before or after the meeting, each of the Directors not present signs and files with the Secretary a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof, or such Director attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such Director, provided that no Director present at the meeting objected, prior to the transaction of any business, to the holding of the meeting because of a lack of prior notice. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

6.6 Unanimous Action Without Meeting. Any action required or permitted to be taken by the Board under the Articles, these Bylaws or any provision of law may be taken by the Board without a meeting, if the Directors unanimously consent in writing to such action. Such unanimous written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by unanimous written consent shall have the same force and effect as the unanimous vote of the Directors at a duly called and noticed meeting. Such unanimous written consent or consents may be signed in counterpart and may be submitted to the individual Directors, and returned to the Corporation by mail or by facsimile transmission. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in Section 5233 of the California Corporations Code.

6.7 Quorum. A majority of the number of existing Directors (excluding vacancies) shall constitute a quorum for the transaction of business, except to adjourn. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting, subject to any applicable requirements for approval by a greater number or a disinterested majority.

6.8 Agenda for Meetings. The agenda for Board meetings shall be developed by the Chairperson with the Chief Executive Officer acting as staff to the Chairperson for this purpose. The Chairperson shall prepare a calendar of expected agenda items that will be communicated regularly at Board meetings. Any Director may ask that a matter be added to a future Board meeting agenda by written notification to the Chairperson and the Chief Executive Officer. The Chairperson will determine, considering all other matters to be addressed by the Board, whether and when to add the matter to a Board agenda. If the matter will not be added to the Board meeting agenda at the next meeting to be held more than fourteen (14) days after the date of the request, the Chief Executive Officer will notify the Director making the request of the Chairperson's decision; the person making the request may ask that the questions of whether such matter should be considered by the Board and the timing of such consideration be addressed during the discussion of the calendar of expected agenda items during the next meeting of the Board that occurs more than ten (10) days thereafter. Notwithstanding the foregoing, any request

to add a matter to the Board agenda made by three (3) directors shall be added to the Board meeting agenda at the next meeting to be held more than fourteen (14) days after the date of the last request.

6.9 Board Action. Every act done or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Articles, these Bylaws, or the California Nonprofit Corporation Law. Provided however, amendments to the Articles or these Bylaws and approval of certain transactions must be approved by the vote of a majority of the Directors in office, excluding interested directors as defined in Section 5233 of the California Corporations Code.

6.10 Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

6.11 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

ARTICLE VII Board Committees and Advisory Committees

7.1 Establishment of Committees. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, designate one or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The provisions of Section 7.1 through 7.5 of these Bylaws do not apply to any advisory committee established under Section 7.6. The appointment of members or alternate members of a committee requires the vote of a majority of the Directors then in office, provided that a quorum is present. Any such committee, to the extent provided in the resolution of the Board of Directors or in these Bylaws, shall have all the authority of the Board of Directors, except that no committee, regardless of Board resolution, may:

- (a) Approve any action that, under the California Nonprofit Corporation Law, also requires the affirmative vote of the members of a public benefit corporation.
- (b) Fill vacancies on the Board or in any committee that has the authority of the Board.
- (c) Fix compensation of the Directors for serving on the Board or on any committee.
- (d) Amend or repeal Bylaws or adopt new bylaws.
- (e) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable.

(f) Appoint any other committees of the Board or the members of such committees.

(g) Expend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

(h) Approve any transaction between the Corporation and one or more of its Directors in which the Director or Directors have a material financial interest, except as provided by Section 5233 of the California Corporations Code.

7.2 Special Committees. From time to time the Board may establish special committees. Special Board committees shall exist to perform specific tasks identified by the Board, and shall cease to exist upon completion of the task. The Board may by resolution establish special committees for such purposes as the Board deems appropriate. Members of such committees shall be appointed and removed at the Board's discretion, with or without cause.

7.3 Authority to Act. The committee may take action on behalf of the Corporation only if specifically authorized to take a Board action by resolution of the Board.

7.4 Appointment. The Chairperson of the Board shall appoint committee chairperson(s) and the committee chairperson(s) shall appoint members of committee(s) subject to approval by the Board.

7.5 Meetings and Actions of Committees. Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of these Bylaws, concerning meetings and actions of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

7.6 Advisory Committees. Notwithstanding any other provision of this Article VII or these Bylaws, the Board may by resolution establish advisory committees to the Board. No advisory committee shall have or exercise any of the authority of the Board but shall advise the Board of Directors on matters within the advisory committee's charter as adopted by the Board. An advisory committee shall be composed of at least two members of the Board and persons who are not members of the Board. The Board, by resolution, shall adopt an advisory committee charter which shall establish the committee, state whether the advisory committee is temporary (ad hoc) or standing, the total number of members of such committee, the number of Board members to be appointed to such committee, and the subject matter to be considered by such advisory committee. The time and place of meetings of the advisory committee shall be determined by the committee chair. The charter shall designate the members of the advisory

committee or designate the process by which members of the advisory committee are selected. The Chairperson may serve as chair or a member of any advisory committee except the Governance Committee. The Board may, at any time, amend the resolution establishing the advisory committee to change the members, to change the scope of delegation, or to terminate the existence of the advisory committee.

ARTICLE VIII Officers and Employees

8.1 Officers. The officers of the Corporation shall consist of the Chairperson, the Vice Chairperson, the Secretary and the Treasurer and such other persons who are specifically designated as officers by the Board. The offices of Secretary and Treasurer shall be held by the same person.

8.2 Election of Board Officers. All officers shall be elected by a majority vote of the Board.

8.3 Term of Board Officers. Each officer shall hold office for a two (2) year term or until his or her successor is elected and qualified, subject to any employment agreement; provided that a Director may not serve more than two (2) consecutive terms as Chairperson.

8.4 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairperson or to the Secretary, without prejudice, however, to the rights, if any, of the Corporation under any contract to which such officer is a party. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later specified time.

8.5 Removal. Any officer may be removed at any time by a majority vote of the Board.

8.6 Vacancies. Upon the removal, resignation, death, or incapacity of any officer, the Board may declare such office vacant and fill such vacancy by the majority vote of the Board.

8.7 Compensation. The salary and other compensation of the officers shall be fixed from time to time by resolution of, or in the manner determined by, the Board.

8.8 Duties and Qualifications of Officers. The officers shall have such duties, in addition to those set forth below, as the Board shall specify by resolution from time to time.

(a) Chairperson. The Chairperson shall preside at all meetings of the Board. Except as provided in Section 13.1, the Chairperson shall have authority to execute in the name of the Corporation all bonds, contracts, deeds, leases, and other written instruments to be executed by the Corporation, and shall perform such other powers and duties as may be from time to time assigned to him or her by the Board or set forth in these Bylaws.

(b) Vice Chairperson. The Vice Chairperson shall assume and perform the duties of the Chairperson in the absence or disability of the Chairperson or whenever the office

of Chairperson is vacant. The Vice Chairperson shall have such titles, perform such other duties, and have such other powers as the Board or the Chairperson shall designate from time to time.

(c) Secretary. The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board may order, a book of minutes of actions taken at all meetings of Directors, committees, and Member, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such Directors, committees and Member meetings, and the proceedings of all such meetings.

The Secretary shall give, or cause to be given, notice of all the meetings of the members of the Board of Directors, and of the committees of this Corporation required by these Bylaws or by law to be given, shall keep the seal of the Corporation (if any) in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Chairperson or by these Bylaws.

(d) Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the Chairperson and Directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Chairperson or these Bylaws.

ARTICLE IX Chief Executive Officer

9.1 Selection, Authority and Term. The Board may select and employ a competent, experienced Chief Executive Officer who shall be its direct executive representative in the management of the Hospital. This Chief Executive Officer shall be given the necessary authority and held responsible for the administration of the Hospital in all its activities and departments subject only to such policies as may be adopted, and such orders as may be issued by the Board or by any of its committees to which it has delegated power for such action. He or she shall act as the "duly authorized representative" of the Board in all matters in which the governing Board has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving or delegating from the Board to the Chief Executive Officer any of the powers and duties imposed upon the Board by the Local Hospital District Law, Division 23, or Chapter 1 of the Health and Safety Code of the State of California, or related statutes. The Chief Executive Officer shall hold office from the date of hire until the end of his or her term in office or sooner at the sole discretion of the Board, subject to any employment agreement.

9.2 Performance Review. The Board shall continually review the performance of the Chief Executive Officer and provide counseling in areas where improvement is needed.

9.3 Authority and Duties. The authority and duties of the Chief Executive Officer shall be as follows:

(a) To perfect and submit to the Board for approval a plan of organization of the personnel and others concerned with the operation of the Hospital; and also to establish methods of procedures concerning the internal operation of the Hospital.

(b) To prepare an annual budget showing the expected receipts and expenditures of the Hospital as required by the Board of Directors.

(c) To prepare and submit capital budget of the Hospital to the Board for approval.

(d) To select, employ, and discharge all employees serving in positions as authorized by the Board of Directors.

(e) To see that all physical properties are kept in good state of repair and operating condition.

(f) To attend all meetings of the Board of Directors.

(g) To supervise all business affairs, such as the records of financial transactions, collection of accounts and purchase and issuance of supplies, and to ensure that all funds are collected and expended to the best possible advantage.

(h) To explore and develop strategic opportunities for the Hospital and propose such opportunities to the Board.

(i) To exercise his or her professional abilities in such a manner that those concerned with the rendering of professional service at the Hospital cooperate to the end that the best possible care may be rendered to all patients.

(j) To submit regularly to the Board or its authorized committees, periodic reports showing the professional service and financial activities of the Hospital and to prepare and submit such special reports as may be required by the Board and/or its functioning committees.

(k) To serve as the liaison officer and channel of communications for all official communications between the Board of Directors or any of its committees, and its adjunct organizations.

(l) To act as an ex-officio member of all Board committees.

(m) To support such volunteer services as are necessary to carry out the purpose of the Hospital.

- (n) To assist in providing an orientation program for new Board members.
- (o) To perform any other duty that may be necessary in the best interest of the Hospital.

ARTICLE X
Contracts and Financial Matters

10.1 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

10.2 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 depository as the Board may select.

10.3 Compensation of Directors. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the Board to be just and reasonable; provided, however, that any such compensation must be commercially reasonable.

ARTICLE XI
Conflicts of Interest and Indemnification

11.1 Conflict of Interest. The Board shall adopt, by resolution, a conflict of interest policy which shall be attached to these Bylaws.

11.2 Indemnification.

(a) For the purposes of this article, “agent” means any person who is or was a Director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” include without limitation attorneys’ fees and any expenses of establishing a right to indemnification under paragraph (d) or paragraph (e)(iii) of this Section 11.2.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, or an action brought by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the

Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation to procure a judgment in its favor, or brought under Section 5233, or brought by the Attorney General for breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this paragraph (c):

(i) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses that such court shall determine;

(ii) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(iii) Of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

(d) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in paragraph (b) or (c) or in defense of any claim, issue, or matter in the proceeding, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the proceeding.

(e) Except as provided in paragraph (d), any indemnification under this Section 11.2 shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in paragraph (b) or (c), by:

(i) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(ii) Approval or ratification by the affirmative vote of a majority of the votes represented and voting at a duly held membership meeting at which a quorum is present (which affirmative votes also constitute a majority of the

required quorum); for such purpose, any membership held by the person to be indemnified shall not be considered outstanding or entitled to vote on the matter; or

(iii) The court in which such proceeding is or was pending upon application made by the Corporation, the agent, or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

(f) Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Section 11.2.

(g) Nothing contained in this article shall affect any right to indemnification to which persons other than Directors and officers of the Corporation or any subsidiary of the Corporation may be entitled by contract or otherwise.

(h) No indemnification or advance shall be made under this article, except as provided in paragraph (d) or paragraph (e)(iii), in any circumstance when it appears:

(i) That it would be inconsistent with a provision of the Articles, a resolution of the sole Member, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(ii) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(i) Upon and in the event of a determination by the Board of Directors of the Corporation to purchase indemnity insurance, the Corporation shall purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Section 11.2; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233.

(j) This Section 11.2 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in paragraph (a). The Corporation shall have the power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California Corporations Code.

ARTICLE XII
Medical Staff

12.1 Organization. A medical staff organization has been created for the acute care hospital that is owned by El Camino Hospital, and this medical staff is known as the El Camino Hospital Medical Staff (the “Medical Staff”).

12.2 Membership. Membership in the Medical Staff shall be comprised of all physicians, dentists and podiatrists who are duly licensed, competent in their respective fields, worthy in character and in professional ethics and privileged to attend to patients in the Hospital. The term “physicians” shall include physicians licensed in the State of California, regardless of whether they hold an M.D. or D.O. degree. Membership in the Medical Staff shall be a prerequisite to the exercise of any clinical privileges except as otherwise expressly provided in the Medical Staff Bylaws.

12.3 Medical Staff Bylaws, Rules and Regulations.

(a) Purpose. Medical Staff Bylaws, rules and regulations shall be adopted by the Medical Staff for its internal governance, subject to the Board’s approval (the “Medical Staff Bylaws”). The Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff. The Medical Staff Bylaws, rules and regulations shall also state the purposes, functions and organization of the Medical Staff, and set forth the policies and procedures by which the Medical Staff exercises and accounts for its delegated authority and responsibilities.

(b) Procedure to Adopt or Amend.

(i) Preparation and Adoption. The Medical Staff shall have the initial responsibility to formulate, revise and adopt the Medical Staff Bylaws, rules and regulations.

(ii) Review and Approval. After the above action by the Medical Staff, such Medical Staff Bylaws, rules or regulations, or amendments thereto, shall be forwarded to the Board for its review and approval, which approval shall not be unreasonably withheld.

(iii) Separate Action. If the Medical Staff fails to exercise its responsibility hereunder and in a reasonable, timely and responsible manner, and after written notice from the Board to such effect, including a reasonable period of time for response, the Board may formulate or amend the Medical Staff Bylaws, rules and regulations. Any Medical Staff recommendations and views shall be carefully considered during the Board’s deliberations and actions.

12.4 Credentialing and Clinical Privileges.

(a) Delegation to Medical Staff. The Board delegates to the Medical Staff responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership and clinical privileges, including appointment, reappointment and corrective action.

(b) Initial Decision. Initial action with respect to membership on the Medical Staff and clinical privileges shall be taken by the Medical Staff in accordance with the Medical Staff Bylaws, rules and regulations. Thereafter, a recommendation shall be made to the Board.

(c) Review and Approval. The Board shall review and act upon recommendations of the Medical Staff, and shall give careful consideration to the Medical Staff's expertise in peer review matters.

(d) Separate Action. If the Medical Staff fails to exercise its responsibility hereunder in a reasonable, timely and responsible manner, and after written notice from the Board to such effect, including a reasonable period of time for response, the Board may take actions regarding medical staff membership and clinical privileges. In so doing, the Board shall carefully consider any Medical Staff recommendations and views during its deliberations and actions. In situations involving corrective action, the Board shall not initiate such action unless the Medical Staff's failure to do so is contrary to the weight of the evidence under consideration.

(e) Fair Hearing Procedure. The procedural rules to be followed by the Medical Staff and the Board in acting on matters of Medical Staff membership and clinical privileges, including such matters as appointment, reappointment and corrective action, shall be as more particularly specified in the Medical Staff Bylaws. The Medical Staff Bylaws shall provide for a procedure pursuant to which disagreements between the Medical Staff and the Board may be resolved.

(f) Standards of Decision and Review. In taking the actions referred to in this Article XII, the relevant decision-making body shall consider the supporting information and the purposes, needs and capabilities of the hospital, the health and welfare of the community, and such relevant criteria as are set out in the Medical Staff Bylaws, rules and regulations. In taking such action, no aspect of Medical Staff membership or privileging shall be limited or denied on the basis of sex, age, race, creed, color, or national origin, or on the basis of any other criterion unrelated to those set out in the preceding sentence.

(g) Duration. Appointments to the Medical Staff shall be for a maximum term of two (2) years.

(h) Terms and Conditions. The terms and conditions of Medical Staff membership and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws, rules and regulations, or as more specifically defined in the notice of an individual appointment or privileges.

12.5 Allied Health Professionals. The categories of allied health professionals eligible to hold specific practice privileges to perform services within the scope of their licensure, certification or other legal authorization, and the corresponding privileges, prerogatives, terms and conditions for each such allied health professional category or practitioner shall be determined by the Board upon recommendations received from the Medical Staff executive committee. The Medical Staff shall have the responsibility and authority to investigate and evaluate each application by an allied health professional for satisfaction of relevant eligibility requirements in accordance with the Medical Staff Bylaws, rules and regulations.

12.6 Contract Physicians. A physician engaged as an independent contractor by the Corporation to provide medical-administrative services must obtain appropriate Medical Staff membership and privileges through the procedure outlined in the Medical Staff Bylaws, rules and regulations. Restriction or termination of such physician's Medical Staff membership or clinical privileges for reasons related to professional competence shall also be accomplished through the procedures contained in the Medical Staff Bylaws, rules and regulations. All other matters, including termination of Medical Staff membership or clinical privileges on grounds not related to professional competence, shall be governed by the terms of such physician's contracts or agreements with the Corporation.

12.7 Accountability. The Medical Staff shall be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided at the Corporation. These activities shall include:

- (a) Standard of Care. Ensuring that a comparable standard of care, as determined by the Medical Staff, is provided to all patients with similar needs;
- (b) Monitor Quality. Ongoing monitoring and evaluation of patient care to solve problems and identify other opportunities to improve quality.
- (c) Clinical Privileges. Delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment.
- (d) Continuing Education. Provision of continuing professional education, guided by the needs identified through the review and evaluation activities, as well as other perceived needs and interests.
- (e) Resource Allocation. Review of utilization of the Corporation's resources to provide for their allocation to patients in need of them.
- (f) Medical Records. Ensuring the preparation and maintenance of adequate and accurate medical records for all patients; and
- (g) Other Matters. Such other measures as the Board may, after considering the advice of the Medical Staff and the Corporation's administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

ARTICLE XIII
Execution of Corporate Instruments,
and Voting of Stocks and Memberships
Held by the Corporation

13.1 Execution of Corporate Instruments. The Board may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation, and other corporate instruments or documents, and certificates of shares of stock owned by the Corporation, shall be executed, signed, or endorsed by the Chairperson.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board shall authorize to do so.

13.2 Ratification by Member. The Board may, in its discretion, submit any contract or act for approval or ratification of the Member at any regular meeting of Member, or at any special meeting of Member called for that purpose.

13.3 Voting of Stocks Owned by Corporation. All stock of other corporations or memberships in other corporations owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect to such stock or memberships shall be executed, by the person authorized to do so by resolution of the Board of Directors, or in the absence of such authorization, by the Chairperson of the Board, or Vice Chairperson or by any other person authorized to do so by the Chairperson or the Vice Chairperson of the Board.

ARTICLE XIV Annual Report

Except as provided below, the Corporation shall cause to be sent to its Member and Directors no later than 120 days after the close of its fiscal year, a report containing the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
- (e) Any information required by Section 6322 of the California Corporations Code.

The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

This article does not apply to the Corporation when it receives less than twenty-five thousand dollars (\$25,000) in gross revenues or receipts during the fiscal year, with the exceptions that a report meeting the above requirements must be furnished annually to all Directors and to the Member who requests it in writing and that the information referred to in paragraph (e) above must be furnished to the Member and Directors within 120 days after the close of the Corporation's fiscal year.

If the Corporation solicits in writing contributions from five hundred (500) or more persons, it need not send the report described above to the Member, with the exception of the information referred to in paragraph (e) above, if it:

- (i) Includes with any written material used to solicit contributions a written statement that its latest annual report will be mailed upon request and that such request may be sent to the Corporation at a name and address which is set forth in the statement;
- (ii) Promptly mails a copy of its latest annual report to any person who requests a copy; and
- (iii) Causes its annual report to be published not later than 120 days after the close of its fiscal year in a newspaper of general circulation in the county in which its principal office is located.

ARTICLE XV Standard of Care

A Director shall perform the duties of a director, including duties as a member of any Board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director shall be 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 believes to be reliable and competent as to the matters presented;
- (b) counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (c) a Board committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article XVI below, a person who performs the duties of a Director in accordance with this Article XV shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

ARTICLE XVI

Prohibited Transactions

16.1 Loans. Except as permitted by Section 5236 of the California Corporations Code, this Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer; provided, however, that this Corporation may advance money to a Director or officer of this Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

16.2 Self-Dealing Transactions. Except as provided in Section 16.3 below, the Board of Directors shall not approve or permit the Corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which this Corporation is a party and in which one or more of its Directors has a material financial interest, unless the transaction is described in California Corporations Code Section 5233(b).

16.3 Approval. This Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This Corporation also may engage in a self-dealing transaction if the Board determines, before the transaction, that (1) this Corporation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to this Corporation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the Director or Directors in the transaction, and by a vote of a majority of the Directors then in office, without counting the vote of the interested Director or Directors.

ARTICLE XVII

Miscellaneous

17.1 Records and Reports.

(a) Maintenance and Inspection of Articles and Bylaws. This Corporation shall keep at its principal office the original or a copy of its Articles and these Bylaws as amended from time to time which shall be open to inspection by the Directors and the Member at any reasonable time during business hours.

(b) Maintenance and Inspection of Other Corporate Documents. The accounting books, records, and minutes of proceedings of the Member, the Board and any committee of the Board shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or

typed form or in any other form capable of being converted into written, typed or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any Member, at any reasonable time during usual business hours for a purpose reasonably related to the Member's interests as a Member. Inspection may be made in person or by an agent or any attorney, and shall include the right to copy and make abstracts.

(c) Inspection by Directors. Each Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation. This inspection by a Director may be made in person or by the agent or attorney. The right of inspection includes the right to copy and make abstracts of documents.

17.2 Corporate Seal. The Board shall provide a suitable seal for the Corporation.

17.3 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, singular numbers include the plural, plural numbers include the singular, and the term "person" includes both corporations and natural persons. The captions or headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision of these Bylaws.

ARTICLE XVIII Amendments

18.1 Amendments. The Articles or these Bylaws may be adopted, repealed, amended or restated or new Articles or Bylaws may be adopted upon a majority vote of the authorized number of Directors (excluding vacancies and Directors with a conflict of interest). No such adoption, repeal, amendment, restatement or new Articles or Bylaws shall be effective until approved by the Member. Moreover, the Articles and Bylaws may be adopted, repealed, amended or restated or new Bylaws adopted upon the vote of the Member.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the currently elected and acting Secretary of El Camino Hospital, a California nonprofit public benefit corporation, and the above Amended and Restated Bylaws, consisting of 24 pages, are the Bylaws of this Corporation as adopted pursuant to the required affirmative vote of the Board, December 7, 2005 and the Member, the El Camino Healthcare District, on December 7, 2005 pursuant to the required affirmative vote of the District Board, as amended and restated pursuant to the required affirmative vote of the Board on August 10, 2011 and the Member, the El Camino Healthcare District, on August 10, 2011 pursuant to the required affirmative vote of the District Board and as further amended and restated by the Member, El Camino Healthcare District, on March 20, 2012 pursuant to the required affirmative vote of the District Board and as further amended and restated by the Member, El Camino Healthcare District, on May 12, 2012, May 1, 2013, June 18, 2013, and March 5, 2014 pursuant to the required affirmative vote of the District Board, and as amended and restated pursuant to the required affirmative vote of the Board on May 14, 2014 (Section 6.8) and May 14, 2014 (~~Article VII~~) and of the Member, the El Camino Healthcare District, on June 17, 2014, and as amended and restated pursuant to the required affirmative vote of the Board on October 8, 2014 (~~Section 7.6~~) and of the Member, the El Camino Healthcare District, on October 21, 2014, and as amended and restated pursuant to the required affirmative vote of the Board on January 13, 2016 and of the Member, the El Camino Healthcare District, on January 19, 2016.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Secretary on January ~~October~~, 2016.

Peter C. Fung, atricia A. Einarson, MD
El Camino Hospital Secretary

DRAFT REVISED: December 8, 2015(CLEAN)

AMENDED AND RESTATED BYLAWS

OF

EL CAMINO HOSPITAL

ADOPTED

DECEMBER 7, 2005

AS AMENDED AND RESTATED

October 21, 2014

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ARTICLE I
Corporate Offices

1.1 Principal Office. The principal office of El Camino Hospital, a nonprofit public benefit corporation (the “Corporation”), is located in Mountain View, California. The Corporation may have such other offices as the Board of Directors of Corporation (the “Board”) may determine from time to time.

1.2 Registered Office. The address of the registered office of the Corporation is 2500 Grant Road, Mountain View, California 94040.

ARTICLE II
Purposes, Powers and Membership

2.1 Purposes. The purposes of the Corporation are set forth in its Articles of Incorporation (the “Articles”).

2.2 Powers. The Corporation may engage in any activity consistent with the Articles and these Bylaws.

2.3 Membership Corporation. The Corporation shall have one voting Member: El Camino Healthcare District, a political subdivision of the State of California (the “Member”). The Corporation shall have no other voting members.

2.4 Exempt Activities. Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and regulations promulgated thereunder as they now exist or as they hereafter may be amended, or by an organization contributions to which are deductible under Section 170(c) of such Code and Regulations as they now exist or as they hereafter may be amended.

2.5 Termination of Membership. The membership of the sole Member shall terminate upon the resignation of the sole Member.

ARTICLE III
Meetings of Members

3.1 Place of Meetings. Meetings of the sole Member shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, meetings of the sole Member shall be held at the principal executive office of the Corporation.

3.2 Annual Meeting. There shall be an annual meeting of the sole Member held each year. The Board shall provide for the time and place of holding the annual meeting and notify the sole Member as provided in Section 3.3. At the annual meeting, directors shall be elected as

required by these Bylaws, reports of the affairs of the Corporation shall be considered, and any other business may be transacted that is within the power of the sole Member.

3.3 Notice of Annual Meeting. Written notice of each annual meeting shall be given to the sole Member entitled to vote, either personally, or by mail, or by other means of written communication, with charges prepaid, addressed to the sole Member at the sole Member's address appearing on the books of the Corporation or given by the sole Member to the Corporation for the purpose of notice.

All such notices shall be given to the sole Member entitled to the notice by mail or other means of written communication not less than ten (10) days (or, if sent by mail other than first-class, registered, or certified mail, twenty (20) days) nor more than ninety (90) days before each annual meeting. Any such notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of giving of any such notice in accordance with the foregoing provisions, executed by the Secretary or any transfer agent of the Corporation, shall be *prima facie* evidence of the giving of the notice.

The notice of the meeting shall specify:

- (a) the place, date, and hour of the meeting;
- (b) those matters which the Board, at the time the notice is given, intends to present for action by the sole Member;
- (c) if directors are to be elected, the names of all those who are nominees at the time the notice is given;
- (d) the general nature of a proposal, if any, to take action when approval of the sole Member is required with respect to (i) removal of directors without cause; (ii) the filling of vacancies on the Board; (iii) amendment of the Articles or these Bylaws; (iv) voluntary merger or dissolution of the Corporation; or (v) disposition of all or substantially all of the assets of the Corporation; and
- (e) such other matters, if any, as may be expressly required by law.

3.4 Special Meetings. A special meeting of the sole Member for any lawful purpose or purposes may be called at any time by the Chairperson of the Board or by the Board. In addition, a special meeting of the sole Member for the purpose of removal of directors and election of their replacements may be called by the sole Member.

3.5 Notice of Special Meetings. Upon request in writing that a special meeting of the sole Member be called, directed to the Chairperson, Vice Chairperson, or Secretary, by any person (other than the Board of Directors) entitled to call a special meeting of the sole Member, the officer forthwith shall cause notice to be given to the sole Member that a meeting will be held at a time fixed by the Board, not less than thirty-five (35) nor more than ninety (90) days after the receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the persons entitled to call the meeting may give the notice. Notice of any special

meeting of the sole Member shall be given in the same manner as for annual meetings of the sole Member. In addition to the matters required by Section 3.3(a) and, if applicable, Section 3.3(c) of these Bylaws, notice of any special meeting shall specify the general nature of the business to be transacted, and the fact that no other business may be transacted at the meeting.

3.6 Quorum. The presence in person or by proxy of the sole Member shall constitute a quorum for the transaction of business. Any meeting of the sole Member may be adjourned from time to time by the sole Member.

3.7 Adjourned Meeting and Notice. Except as provided below, when the sole Member's meeting, either regular or special is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. However, no meeting may be adjourned for more than forty-five (45) days. If after adjournment a new record date is fixed for notice or voting, notice of the adjourned meeting shall be given to the sole Member.

3.8 Voting.

(a) Except as may be otherwise provided in the Articles or these Bylaws, the sole Member shall be entitled to one vote on each matter being considered.

(b) Voting at a meeting of the sole Member may be by voice vote or by ballot.

3.9 Proxies.

(a) The sole Member may authorize another person or persons to act by proxy with respect to such membership. "Proxy" means a written authorization signed by the sole Member giving another person or persons power to vote on behalf of the sole Member. "Signed" for the purpose of this section means the placing of the sole Member's name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the sole Member. Any proxy duly executed is not revoked and continues in full force and effect until (i) a written instrument revoking it is filed with the Secretary of the Corporation prior to the vote pursuant to the proxy, (ii) a subsequent proxy executed by the person executing the prior proxy is presented to the meeting, or (iii) the person executing the proxy attends the meeting and votes in person; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed. No proxy may be irrevocable.

(b) In any election of directors, any form of proxy in which the directors to be voted upon are named as candidates and which is marked by the sole Member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.

3.10 Validation of Defectively Called or Noticed Meetings. The transactions of any meeting of the sole Member, however called and noticed, and wherever held, are as valid as

though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by these Bylaws or by the California Nonprofit Corporation Law to be included in the notice if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of the sole Member need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes of the meeting, unless otherwise provided in the Articles or these Bylaws, except the general nature of the proposals listed in Section 3.3(d) of these Bylaws must be specified, to the extent applicable, in any such waiver, consent, or approval.

3.11 Action Without a Meeting. Any action required or permitted to be taken by the sole Member may be taken without a meeting, if the sole Member consents in writing to the action. The written consent shall be filed with the minutes of the proceedings of the sole Member. The action by written consent shall have the same force and effect as the vote of the sole Member.

3.12 Rights of the Member. The Member shall have all rights granted to a member under the California Nonprofit Corporation Law. Without limiting the generality of the foregoing, the Member shall have the right to approve the election of directors, to approve the disposition of all or substantially all of the assets of the Corporation or to approve a merger and dissolution of the Corporation and the other rights set forth in the articles of incorporation and bylaws. In addition to the foregoing, the Member shall have the right to require the Corporation to provide to Member any financial information requested by the Member and to approve the following actions authorized by the Board of Directors of the Corporation:

1. To approve the selection of the Corporation's Chief Executive Officer;
2. To approve the annual budget of the Corporation;
3. To approve capital expenditures by the Corporation of more than \$25 million dollars in a single transaction;
4. To approve any expenditures or transfers by the Corporation in a single transaction apparent or a series of related transaction (in excess of 5% of the assets of the Corporation as determined based on last annual audit of the Corporation preceding the approval date of the proposed transaction);
5. To approve the overall strategy adopted by the Corporation.

ARTICLE IV

Board of Directors

4.1 Management by Board of Directors. The business and affairs of the Corporation shall be managed by the Board, except as otherwise provided by law, the Articles, these Bylaws or a Board resolution.

4.2 Number of Voting Directors. The number of voting directors (“Directors”) of the Corporation shall not be less than five (5) nor more than nine (9) until changed by amendment of the Articles or by a bylaw amending this Section 4.2 duly adopted by the sole Member. The exact number of Directors shall be fixed from time to time, within the limit specified in the Articles or in this Section 4.2, by the sole Member.

4.3 Qualifications of Voting Directors.

(a) Commitment. Directors must be committed to the furtherance of health care delivery in the communities served by the Corporation, and must be willing to devote the necessary time and energy for self-education, corporate functions and other activities necessary to fulfill this commitment.

(b) Fiduciary Duty. Directors shall have a fiduciary duty to the Corporation, and shall make all decisions in a manner that is in the best interests of the Corporation and the communities served by the Corporation. Directors shall not advocate or act in the interests of any private person, group or entity unless such action is also in the best interests of the Corporation or the communities served by the Corporation.

(c) Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (i) any person being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the Corporation.

(d) Financial Interest. Except as permitted by the California Nonprofit Corporation Law, the California Health and Safety Code and any other provisions of law, Directors shall not have a “financial interest” in any transactions or contracts of the Corporation.

4.4 Appointment and Selection of Directors.

(a) Ex Officio Director. The Chief Executive Officer of this Corporation shall serve as an ex officio Director, with full voting rights; the voting right of the ex officio Director shall be suspended when the number of Directors in office is less than nine (9) except to the extent that the vacant positions are entirely among the 2012 Directors. The term of such Director shall end when his or her term of office as the Chief Executive Officer of this Corporation expires or terminates.

(b) Vacancies. In the event of a vacancy on the Board because no person holds the position designated in Section 4.4(a), such position on the Board shall remain vacant until a successor is appointed to the office described in Section 4.4(a). In the event that the office described in Section 4.4(a) no longer exists, the Member shall have the exclusive power to appoint a person to serve as a Director with respect to such position.

(c) Other Directors. All Directors, other than the ex officio Director, shall be nominated and elected by the Member.

(d) Replacement Directors. A Director, if any, who fills the unexpired term of a vacant Director position shall serve until the end of that unexpired term.

4.5 Term.

(a) Years.

(i) The term of an ex officio Director described in Section 4.4 shall be the period of time such an ex officio Director holds the office described in Section 4.4.

(ii) A Director first elected by the Member pursuant to Section 4.4(c) effective September 1, 2012 shall serve a staggered term ending June 30, 2013, June 30, 2014 or June 30, 2015 as designated by a resolution of the Board. Any Director who is later appointed to replace such position or who is later appointed to a new term for such a position after the initial term expires shall serve a term of four (4) years. The Directors described in this subparagraph (ii) are referred to in these Bylaws as “2012 Directors.”

(iii) All Directors not listed in Section 4.5(a)(i) or (ii) shall hold office as a Director for a term of four (4) years from the date of election.

(iv) Any Director, other than a Director serving ex officio, shall serve for such Director’s stated term and until his or her successor is duly elected and qualified, unless the Director resigns or is removed as provided in these Bylaws.

4.6 Term Limits.

(a) New Members.

Any Director, other than a Director serving ex officio, who first takes office during calendar year 2014, or any time thereafter, may only serve three (3) complete four (4) year terms as a Director.

(b) Current Members.

Any Director, other than a Director serving ex officio, who is serving as a Director as of January 1, 2014 may only serve three (3) complete four (4) year terms as a Director beginning with such Director’s next term of office that commences after January 1, 2014.

(c) Effect of Term Limit. The office of any Director subject to the limitation set forth in Section 4.6(a) or Section 4.6(b) shall terminate on the last day of the period described in Section 4.6(a) or Section 4.6(b) that is applicable to such Director.

(d) Election Following Term Limit. Any person who has left the Board due to the application of Section 4.6(a) or (b) may be elected to serve as a Director after two (2) years from the date such Director left the Board.

(e) New Term Limits. Any Director elected, as described in Section 4.6(d), after his or her term has been limited shall be subject to Section 4.6(a) beginning on the first day of such new term.

4.7 Vacancy.

(a) A vacancy in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) the declaration by the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, or has been convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty under Sections 5230-38 of the California Corporations Code dealing with standards of conduct for directors; (iii) an increase in the authorized number of Directors; (iv) the failure of the sole Member, at any annual or other regular meeting of Member at which any Director or Directors are elected, to elect the full authorized number of Directors to be voted for at that meeting; or (v) the affirmative vote of the sole Member to remove a Director in accordance with the voting requirements of Section 5222 of the California Corporations Code as provided in Section 4.9 below.

(b) Vacancies in the Board may be filled only by the sole Member. Each Director appointed or elected to fill a vacancy shall hold office until his or her successor is elected at an annual or other regular meeting of the sole Member.

4.8 Resignation. Any Director may resign at any time by giving written notice to the Chairperson or the Secretary. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified in the resignation. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no Director may resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.

4.9 Removal. Any elected Director may be removed, with or without cause, at any time by the Member. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office. Each Director appointed or elected to fill a vacancy shall hold office until his or her successor is elected by the sole Member.

ARTICLE V

Certain Director Election Procedures

5.1 Nominating Committee. The Board shall appoint a Nominating Committee, a

special committee, to select qualified candidates for election to the Board at least thirty (30) days before the date of any election of Directors. The committee shall make its report at least two (2) days before the date of the election, and the Secretary of the Corporation shall forward to the Member, with the notice of meeting required by Section 3.3 of these Bylaws, a list of candidates so nominated along with the names of any persons duly nominated by the Member as of that time.

5.2 Nominations by Member. The sole Member may nominate candidates for directorships at any time before the election. The Secretary shall cause the names of such candidates to be placed on the ballot along with those candidates named by the nominating committee. If there is a meeting to elect directors, the sole Member may place names in nomination.

ARTICLE VI Board Meetings

6.1 Annual Meeting. An annual meeting of the Board shall be held each year, at which time officers of the Board shall be elected and such other business as is appropriate shall be transacted. Annual meetings shall be held at the location designated by the Board or at the principal office of the Corporation.

6.2 Regular Meetings. Meetings of the Board shall be held as directed by the Board, but at least quarterly at any place within or outside the State of California that has been designated by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Regular meetings may be held without notice.

6.3 Special Meetings.

(a) Authority to Call. Special meetings of the Board may be called for any purpose and at any time by the Chairperson, the Secretary, or any two (2) Directors.

(b) Manner of Notice. Notice of the time and place of special meetings shall be given to each Director by one of the following methods: by personal delivery of written notice; by first-class mail, postage paid; by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; by facsimile; or by telegram, charges prepaid. All such notices shall be addressed to or otherwise transmitted to the Director's address, facsimile number, or telephone number shown on the records of the Corporation. The notice shall specify the time and place of the meeting.

(c) Timing of Notice. Notices sent by first-class mail shall be deposited into a United States mail box at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile or telegram shall be given at least forty-eight (48) hours before the time set for the meeting.

6.4 Meetings by Conference Telephone. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be

present in person at any such meeting.

6.5 Waiver of Notice. The transaction of business at any meeting of the Board, however called and noticed or wherever held, shall be valid as though held at a meeting that was duly held after regular call and notice, but only if a quorum is present and if, either before or after the meeting, each of the Directors not present signs and files with the Secretary a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof, or such Director attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such Director, provided that no Director present at the meeting objected, prior to the transaction of any business, to the holding of the meeting because of a lack of prior notice. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

6.6 Unanimous Action Without Meeting. Any action required or permitted to be taken by the Board under the Articles, these Bylaws or any provision of law may be taken by the Board without a meeting, if the Directors unanimously consent in writing to such action. Such unanimous written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by unanimous written consent shall have the same force and effect as the unanimous vote of the Directors at a duly called and noticed meeting. Such unanimous written consent or consents may be signed in counterpart and may be submitted to the individual Directors, and returned to the Corporation by mail or by facsimile transmission. For purposes of this section only, “all members of the Board” does not include any “interested directors” as defined in Section 5233 of the California Corporations Code.

6.7 Quorum. A majority of the number of existing Directors (excluding vacancies) shall constitute a quorum for the transaction of business, except to adjourn. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting, subject to any applicable requirements for approval by a greater number or a disinterested majority.

6.8 Agenda for Meetings. The agenda for Board meetings shall be developed by the Chairperson with the Chief Executive Officer acting as staff to the Chairperson for this purpose. The Chairperson shall prepare a calendar of expected agenda items that will be communicated regularly at Board meetings. Any Director may ask that a matter be added to a future Board meeting agenda by written notification to the Chairperson and the Chief Executive Officer. The Chairperson will determine, considering all other matters to be addressed by the Board, whether and when to add the matter to a Board agenda. If the matter will not be added to the Board meeting agenda at the next meeting to be held more than fourteen (14) days after the date of the request, the Chief Executive Officer will notify the Director making the request of the Chairperson’s decision; the person making the request may ask that the questions of whether such matter should be considered by the Board and the timing of such consideration be addressed during the discussion of the calendar of expected agenda items during the next meeting of the Board that occurs more than ten (10) days thereafter. Notwithstanding the foregoing, any request to add a matter to the Board agenda made by three (3) directors shall be added to the Board meeting agenda at the next meeting to be held more than fourteen (14) days after the date of the last request.

6.9 Board Action. Every act done or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Articles, these Bylaws, or the California Nonprofit Corporation Law. Provided however, amendments to the Articles or these Bylaws and approval of certain transactions must be approved by the vote of a majority of the Directors in office, excluding interested directors as defined in Section 5233 of the California Corporations Code.

6.10 Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

6.11 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

ARTICLE VII

Board Committees and Advisory Committees

7.1 Establishment of Committees. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, designate one or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The provisions of Section 7.1 through 7.5 of these Bylaws do not apply to any advisory committee established under Section 7.6. The appointment of members or alternate members of a committee requires the vote of a majority of the Directors then in office, provided that a quorum is present. Any such committee, to the extent provided in the resolution of the Board of Directors or in these Bylaws, shall have all the authority of the Board of Directors, except that no committee, regardless of Board resolution, may:

- (a) Approve any action that, under the California Nonprofit Corporation Law, also requires the affirmative vote of the members of a public benefit corporation.
- (b) Fill vacancies on the Board or in any committee that has the authority of the Board.
- (c) Fix compensation of the Directors for serving on the Board or on any committee.
- (d) Amend or repeal Bylaws or adopt new bylaws.
- (e) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable.
- (f) Appoint any other committees of the Board or the members of such committees.

(g) Expend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

(h) Approve any transaction between the Corporation and one or more of its Directors in which the Director or Directors have a material financial interest, except as provided by Section 5233 of the California Corporations Code.

7.2 Special Committees. From time to time the Board may establish special committees. Special Board committees shall exist to perform specific tasks identified by the Board, and shall cease to exist upon completion of the task. The Board may by resolution establish special committees for such purposes as the Board deems appropriate. Members of such committees shall be appointed and removed at the Board's discretion, with or without cause.

7.3 Authority to Act. The committee may take action on behalf of the Corporation only if specifically authorized to take a Board action by resolution of the Board.

7.4 Appointment. The Chairperson of the Board shall appoint committee chairperson(s) and the committee chairperson(s) shall appoint members of committee(s) subject to approval by the Board.

7.5 Meetings and Actions of Committees. Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of these Bylaws, concerning meetings and actions of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee.

7.6 Advisory Committees. Notwithstanding any other provision of this Article VII or these Bylaws, the Board may by resolution establish advisory committees to the Board. No advisory committee shall have or exercise any of the authority of the Board but shall advise the Board of Directors on matters within the advisory committee's charter as adopted by the Board. An advisory committee shall be composed of at least two members of the Board and persons who are not members of the Board. The Board, by resolution, shall adopt an advisory committee charter which shall establish the committee, state whether the advisory committee is temporary (ad hoc) or standing, the total number of members of such committee, the number of Board members to be appointed to such committee, and the subject matter to be considered by such advisory committee. The time and place of meetings of the advisory committee shall be determined by the committee chair. The charter shall designate the members of the advisory committee or designate the process by which members of the advisory committee are selected. The Chairperson may serve as chair or a member of any advisory committee except the Governance Committee. The Board may, at any time, amend the resolution establishing the

advisory committee to change the members, to change the scope of delegation, or to terminate the existence of the advisory committee.

ARTICLE VIII Officers and Employees

8.1 Officers. The officers of the Corporation shall consist of the Chairperson, the Vice Chairperson, the Secretary and the Treasurer and such other persons who are specifically designated as officers by the Board. The offices of Secretary and Treasurer shall be held by the same person.

8.2 Election of Board Officers. All officers shall be elected by a majority vote of the Board.

8.3 Term of Board Officers. Each officer shall hold office for a two (2) year term or until his or her successor is elected and qualified, subject to any employment agreement; provided that a Director may not serve more than two (2) consecutive terms as Chairperson.

8.4 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairperson or to the Secretary, without prejudice, however, to the rights, if any, of the Corporation under any contract to which such officer is a party. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later specified time.

8.5 Removal. Any officer may be removed at any time by a majority vote of the Board.

8.6 Vacancies. Upon the removal, resignation, death, or incapacity of any officer, the Board may declare such office vacant and fill such vacancy by the majority vote of the Board.

8.7 Compensation. The salary and other compensation of the officers shall be fixed from time to time by resolution of, or in the manner determined by, the Board.

8.8 Duties and Qualifications of Officers. The officers shall have such duties, in addition to those set forth below, as the Board shall specify by resolution from time to time.

(a) Chairperson. The Chairperson shall preside at all meetings of the Board. Except as provided in Section 13.1, the Chairperson shall have authority to execute in the name of the Corporation all bonds, contracts, deeds, leases, and other written instruments to be executed by the Corporation, and shall perform such other powers and duties as may be from time to time assigned to him or her by the Board or set forth in these Bylaws.

(b) Vice Chairperson. The Vice Chairperson shall assume and perform the duties of the Chairperson in the absence or disability of the Chairperson or whenever the office of Chairperson is vacant. The Vice Chairperson shall have such titles, perform such other duties, and have such other powers as the Board or the Chairperson shall designate from time to time.

(c) Secretary. The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board may order, a book of minutes of actions taken at all meetings of Directors, committees, and Member, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such Directors, committees and Member meetings, and the proceedings of all such meetings.

The Secretary shall give, or cause to be given, notice of all the meetings of the members of the Board of Directors, and of the committees of this Corporation required by these Bylaws or by law to be given, shall keep the seal of the Corporation (if any) in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Chairperson or by these Bylaws.

(d) Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the Chairperson and Directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Chairperson or these Bylaws.

ARTICLE IX

Chief Executive Officer

9.1 Selection, Authority and Term. The Board may select and employ a competent, experienced Chief Executive Officer who shall be its direct executive representative in the management of the Hospital. This Chief Executive Officer shall be given the necessary authority and held responsible for the administration of the Hospital in all its activities and departments subject only to such policies as may be adopted, and such orders as may be issued by the Board or by any of its committees to which it has delegated power for such action. He or she shall act as the "duly authorized representative" of the Board in all matters in which the governing Board has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving or delegating from the Board to the Chief Executive Officer any of the powers and duties imposed upon the Board by the Local Hospital District Law, Division 23, or Chapter 1 of the Health and Safety Code of the State of California, or related statutes. The Chief Executive Officer shall hold office from the date of hire until the end of his or her term in office or sooner at the sole discretion of the Board, subject to any employment agreement.

9.2 Performance Review. The Board shall continually review the performance of the Chief Executive Officer and provide counseling in areas where improvement is needed.

9.3 Authority and Duties. The authority and duties of the Chief Executive Officer shall be as follows:

(a) To perfect and submit to the Board for approval a plan of organization of the personnel and others concerned with the operation of the Hospital; and also to establish methods of procedures concerning the internal operation of the Hospital.

(b) To prepare an annual budget showing the expected receipts and expenditures of the Hospital as required by the Board of Directors.

(c) To prepare and submit capital budget of the Hospital to the Board for approval.

(d) To select, employ, and discharge all employees serving in positions as authorized by the Board of Directors.

(e) To see that all physical properties are kept in good state of repair and operating condition.

(f) To attend all meetings of the Board of Directors.

(g) To supervise all business affairs, such as the records of financial transactions, collection of accounts and purchase and issuance of supplies, and to ensure that all funds are collected and expended to the best possible advantage.

(h) To explore and develop strategic opportunities for the Hospital and propose such opportunities to the Board.

(i) To exercise his or her professional abilities in such a manner that those concerned with the rendering of professional service at the Hospital cooperate to the end that the best possible care may be rendered to all patients.

(j) To submit regularly to the Board or its authorized committees, periodic reports showing the professional service and financial activities of the Hospital and to prepare and submit such special reports as may be required by the Board and/or its functioning committees.

(k) To serve as the liaison officer and channel of communications for all official communications between the Board of Directors or any of its committees, and its adjunct organizations.

(l) To act as an ex-officio member of all Board committees.

(m) To support such volunteer services as are necessary to carry out the purpose of the Hospital.

(n) To assist in providing an orientation program for new Board members.

(o) To perform any other duty that may be necessary in the best interest of the Hospital.

ARTICLE X Contracts and Financial Matters

10.1 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

10.2 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 depository as the Board may select.

10.3 Compensation of Directors. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the Board to be just and reasonable; provided, however, that any such compensation must be commercially reasonable.

ARTICLE XI Conflicts of Interest and Indemnification

11.1 Conflict of Interest. The Board shall adopt, by resolution, a conflict of interest policy which shall be attached to these Bylaws.

11.2 Indemnification.

(a) For the purposes of this article, “agent” means any person who is or was a Director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” include without limitation attorneys’ fees and any expenses of establishing a right to indemnification under paragraph (d) or paragraph (e)(iii) of this Section 11.2.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Corporations Code, or an action brought by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order,

settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation to procure a judgment in its favor, or brought under Section 5233, or brought by the Attorney General for breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this paragraph (c):

(i) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses that such court shall determine;

(ii) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(iii) Of expenses incurred in defending a threatened or pending action that is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

(d) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in paragraph (b) or (c) or in defense of any claim, issue, or matter in the proceeding, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the proceeding.

(e) Except as provided in paragraph (d), any indemnification under this Section 11.2 shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in paragraph (b) or (c), by:

(i) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(ii) Approval or ratification by the affirmative vote of a majority of the votes represented and voting at a duly held membership meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum); for such purpose, any membership held by the person to be

indemnified shall not be considered outstanding or entitled to vote on the matter;
or

(iii) The court in which such proceeding is or was pending upon application made by the Corporation, the agent, or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

(f) Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Section 11.2.

(g) Nothing contained in this article shall affect any right to indemnification to which persons other than Directors and officers of the Corporation or any subsidiary of the Corporation may be entitled by contract or otherwise.

(h) No indemnification or advance shall be made under this article, except as provided in paragraph (d) or paragraph (e)(iii), in any circumstance when it appears:

(i) That it would be inconsistent with a provision of the Articles, a resolution of the sole Member, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(ii) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(i) Upon and in the event of a determination by the Board of Directors of the Corporation to purchase indemnity insurance, the Corporation shall purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Section 11.2; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233.

(j) This Section 11.2 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in paragraph (a). The Corporation shall have the power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California Corporations Code.

ARTICLE XII
Medical Staff

12.1 Organization. A medical staff organization has been created for the acute care hospital that is owned by El Camino Hospital, and this medical staff is known as the El Camino Hospital Medical Staff (the “Medical Staff”).

12.2 Membership. Membership in the Medical Staff shall be comprised of all physicians, dentists and podiatrists who are duly licensed, competent in their respective fields, worthy in character and in professional ethics and privileged to attend to patients in the Hospital. The term “physicians” shall include physicians licensed in the State of California, regardless of whether they hold an M.D. or D.O. degree. Membership in the Medical Staff shall be a prerequisite to the exercise of any clinical privileges except as otherwise expressly provided in the Medical Staff Bylaws.

12.3 Medical Staff Bylaws, Rules and Regulations.

(a) Purpose. Medical Staff Bylaws, rules and regulations shall be adopted by the Medical Staff for its internal governance, subject to the Board’s approval (the “Medical Staff Bylaws”). The Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff. The Medical Staff Bylaws, rules and regulations shall also state the purposes, functions and organization of the Medical Staff, and set forth the policies and procedures by which the Medical Staff exercises and accounts for its delegated authority and responsibilities.

(b) Procedure to Adopt or Amend.

(i) Preparation and Adoption. The Medical Staff shall have the initial responsibility to formulate, revise and adopt the Medical Staff Bylaws, rules and regulations.

(ii) Review and Approval. After the above action by the Medical Staff, such Medical Staff Bylaws, rules or regulations, or amendments thereto, shall be forwarded to the Board for its review and approval, which approval shall not be unreasonably withheld.

(iii) Separate Action. If the Medical Staff fails to exercise its responsibility hereunder and in a reasonable, timely and responsible manner, and after written notice from the Board to such effect, including a reasonable period of time for response, the Board may formulate or amend the Medical Staff Bylaws, rules and regulations. Any Medical Staff recommendations and views shall be carefully considered during the Board’s deliberations and actions.

12.4 Credentialing and Clinical Privileges.

(a) Delegation to Medical Staff. The Board delegates to the Medical Staff responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership and clinical privileges, including appointment, reappointment and corrective action.

(b) Initial Decision. Initial action with respect to membership on the Medical Staff and clinical privileges shall be taken by the Medical Staff in accordance with the Medical Staff Bylaws, rules and regulations. Thereafter, a recommendation shall be made to the Board.

(c) Review and Approval. The Board shall review and act upon recommendations of the Medical Staff, and shall give careful consideration to the Medical Staff's expertise in peer review matters.

(d) Separate Action. If the Medical Staff fails to exercise its responsibility hereunder in a reasonable, timely and responsible manner, and after written notice from the Board to such effect, including a reasonable period of time for response, the Board may take actions regarding medical staff membership and clinical privileges. In so doing, the Board shall carefully consider any Medical Staff recommendations and views during its deliberations and actions. In situations involving corrective action, the Board shall not initiate such action unless the Medical Staff's failure to do so is contrary to the weight of the evidence under consideration.

(e) Fair Hearing Procedure. The procedural rules to be followed by the Medical Staff and the Board in acting on matters of Medical Staff membership and clinical privileges, including such matters as appointment, reappointment and corrective action, shall be as more particularly specified in the Medical Staff Bylaws. The Medical Staff Bylaws shall provide for a procedure pursuant to which disagreements between the Medical Staff and the Board may be resolved.

(f) Standards of Decision and Review. In taking the actions referred to in this Article XII, the relevant decision-making body shall consider the supporting information and the purposes, needs and capabilities of the hospital, the health and welfare of the community, and such relevant criteria as are set out in the Medical Staff Bylaws, rules and regulations. In taking such action, no aspect of Medical Staff membership or privileging shall be limited or denied on the basis of sex, age, race, creed, color, or national origin, or on the basis of any other criterion unrelated to those set out in the preceding sentence.

(g) Duration. Appointments to the Medical Staff shall be for a maximum term of two (2) years.

(h) Terms and Conditions. The terms and conditions of Medical Staff membership and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws, rules and regulations, or as more specifically defined in the notice of an individual appointment or privileges.

12.5 Allied Health Professionals. The categories of allied health professionals eligible to hold specific practice privileges to perform services within the scope of their licensure, certification or other legal authorization, and the corresponding privileges, prerogatives, terms and conditions for each such allied health professional category or practitioner shall be determined by the Board upon recommendations received from the Medical Staff executive committee. The Medical Staff shall have the responsibility and authority to investigate and evaluate each application by an allied health professional for satisfaction of relevant eligibility requirements in accordance with the Medical Staff Bylaws, rules and regulations.

12.6 Contract Physicians. A physician engaged as an independent contractor by the Corporation to provide medical-administrative services must obtain appropriate Medical Staff membership and privileges through the procedure outlined in the Medical Staff Bylaws, rules and regulations. Restriction or termination of such physician's Medical Staff membership or clinical privileges for reasons related to professional competence shall also be accomplished through the procedures contained in the Medical Staff Bylaws, rules and regulations. All other matters, including termination of Medical Staff membership or clinical privileges on grounds not related to professional competence, shall be governed by the terms of such physician's contracts or agreements with the Corporation.

12.7 Accountability. The Medical Staff shall be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided at the Corporation. These activities shall include:

(a) Standard of Care. Ensuring that a comparable standard of care, as determined by the Medical Staff, is provided to all patients with similar needs;

(b) Monitor Quality. Ongoing monitoring and evaluation of patient care to solve problems and identify other opportunities to improve quality.

(c) Clinical Privileges. Delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment.

(d) Continuing Education. Provision of continuing professional education, guided by the needs identified through the review and evaluation activities, as well as other perceived needs and interests.

(e) Resource Allocation. Review of utilization of the Corporation's resources to provide for their allocation to patients in need of them.

(f) Medical Records. Ensuring the preparation and maintenance of adequate and accurate medical records for all patients; and

(g) Other Matters. Such other measures as the Board may, after considering the advice of the Medical Staff and the Corporation's administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

ARTICLE XIII
Execution of Corporate Instruments,
and Voting of Stocks and Memberships
Held by the Corporation

13.1 Execution of Corporate Instruments. The Board may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation, and other corporate instruments or documents, and certificates of shares of stock owned by the Corporation, shall be executed, signed, or endorsed by the Chairperson.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board shall authorize to do so.

13.2 Ratification by Member. The Board may, in its discretion, submit any contract or act for approval or ratification of the Member at any regular meeting of Member, or at any special meeting of Member called for that purpose.

13.3 Voting of Stocks Owned by Corporation. All stock of other corporations or memberships in other corporations owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect to such stock or memberships shall be executed, by the person authorized to do so by resolution of the Board of Directors, or in the absence of such authorization, by the Chairperson of the Board, or Vice Chairperson or by any other person authorized to do so by the Chairperson or the Vice Chairperson of the Board.

ARTICLE XIV Annual Report

Except as provided below, the Corporation shall cause to be sent to its Member and Directors no later than 120 days after the close of its fiscal year, a report containing the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
- (e) Any information required by Section 6322 of the California Corporations Code.

The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

This article does not apply to the Corporation when it receives less than twenty-five thousand dollars (\$25,000) in gross revenues or receipts during the fiscal year, with the exceptions that a report meeting the above requirements must be furnished annually to all Directors and to the Member who requests it in writing and that the information referred to in paragraph (e) above must be furnished to the Member and Directors within 120 days after the close of the Corporation's fiscal year.

If the Corporation solicits in writing contributions from five hundred (500) or more persons, it need not send the report described above to the Member, with the exception of the information referred to in paragraph (e) above, if it:

- (i) Includes with any written material used to solicit contributions a written statement that its latest annual report will be mailed upon request and that such request may be sent to the Corporation at a name and address which is set forth in the statement;
- (ii) Promptly mails a copy of its latest annual report to any person who requests a copy; and
- (iii) Causes its annual report to be published not later than 120 days after the close of its fiscal year in a newspaper of general circulation in the county in which its principal office is located.

ARTICLE XV Standard of Care

A Director shall perform the duties of a director, including duties as a member of any Board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director shall be 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 believes to be reliable and competent as to the matters presented;
- (b) counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (c) a Board committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article XVI below, a person who performs the duties of a Director in accordance with this Article XV shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

ARTICLE XVI

Prohibited Transactions

16.1 Loans. Except as permitted by Section 5236 of the California Corporations Code, this Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer; provided, however, that this Corporation may advance money to a Director or officer of this Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

16.2 Self-Dealing Transactions. Except as provided in Section 16.3 below, the Board of Directors shall not approve or permit the Corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which this Corporation is a party and in which one or more of its Directors has a material financial interest, unless the transaction is described in California Corporations Code Section 5233(b).

16.3 Approval. This Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This Corporation also may engage in a self-dealing transaction if the Board determines, before the transaction, that (1) this Corporation is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to this Corporation at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the Director or Directors in the transaction, and by a vote of a majority of the Directors then in office, without counting the vote of the interested Director or Directors.

ARTICLE XVII

Miscellaneous

17.1 Records and Reports.

(a) Maintenance and Inspection of Articles and Bylaws. This Corporation shall keep at its principal office the original or a copy of its Articles and these Bylaws as amended from time to time which shall be open to inspection by the Directors and the Member at any reasonable time during business hours.

(b) Maintenance and Inspection of Other Corporate Documents. The accounting books, records, and minutes of proceedings of the Member, the Board and any committee of the Board shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or

typed form or in any other form capable of being converted into written, typed or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any Member, at any reasonable time during usual business hours for a purpose reasonably related to the Member's interests as a Member. Inspection may be made in person or by an agent or any attorney, and shall include the right to copy and make abstracts.

(c) Inspection by Directors. Each Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation. This inspection by a Director may be made in person or by the agent or attorney. The right of inspection includes the right to copy and make abstracts of documents.

17.2 Corporate Seal. The Board shall provide a suitable seal for the Corporation.

17.3 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, singular numbers include the plural, plural numbers include the singular, and the term "person" includes both corporations and natural persons. The captions or headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision of these Bylaws.

ARTICLE XVIII

Amendments

18.1 Amendments. The Articles or these Bylaws may be adopted, repealed, amended or restated or new Articles or Bylaws may be adopted upon a majority vote of the authorized number of Directors (excluding vacancies and Directors with a conflict of interest). No such adoption, repeal, amendment, restatement or new Articles or Bylaws shall be effective until approved by the Member. Moreover, the Articles and Bylaws may be adopted, repealed, amended or restated or new Bylaws adopted upon the vote of the Member.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the currently elected and acting Secretary of El Camino Hospital, a California nonprofit public benefit corporation, and the above Amended and Restated Bylaws, consisting of 24 pages, are the Bylaws of this Corporation as adopted pursuant to the required affirmative vote of the Board, December 7, 2005 and the Member, the El Camino Healthcare District, on December 7, 2005 pursuant to the required affirmative vote of the District Board, as amended and restated pursuant to the required affirmative vote of the Board on August 10, 2011 and the Member, the El Camino Healthcare District, on August 10, 2011 pursuant to the required affirmative vote of the District Board and as further amended and restated by the Member, El Camino Healthcare District, on March 20, 2012 pursuant to the required affirmative vote of the District Board and as further amended and restated by the Member, El Camino Healthcare District, on May 12, 2012, May 1, 2013, June 18, 2013, and March 5, 2014 pursuant to the required affirmative vote of the District Board, and as amended and restated pursuant to the required affirmative vote of the Board on May 14, 2014 (Section 6.8) and May 14, 2014 and of the Member, the El Camino Healthcare District, on June 17, 2014, and as amended and restated pursuant to the required affirmative vote of the Board on October 8, 2014 and of the Member, the El Camino Healthcare District, on October 21, 2014, and as amended and restated pursuant to the required affirmative vote of the Board on January 13, 2016 and of the Member, the El Camino Healthcare District, on January 19, 2016.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Secretary on January ____, 2016.

Peter C. Fung, MD
El Camino Hospital Secretary

ATTACHMENT 13

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	<p>El Camino Hospital ("ECH") Board Member Election Ad Hoc Committee Report</p> <p>El Camino Healthcare District Board of Directors</p> <p>Board Meeting Date: January 16, 2016</p>
Responsible party:	John Zoglin, Ad Hoc Committee Member
Action requested:	For Approval
Background:	<p>On June 16, 2015, the Board adopted Resolution 2015-07 establishing a temporary advisory special (Ad hoc") committee "to carefully consider and prepare for the FY16 election or re-election of a Director to the El Camino Hospital Board" and appointed Director Miller and myself to serve. We began work in August 2015 regarding the possible re-election of a Non-District Board Member ("NDBM") whose term was set to expire on June 30, 2016 and reported to the District Board on October 20, 2015. The District Board deferred a decision on the re-election and directed staff to begin "passive recruitment" activities, i.e. advertisement in local publications etc.</p> <p>However, at its November 11, 2016 meeting, the ECH Board approved its Governance Committee's recommendation to lengthen the terms of the NDBM's from 3 to 4 years. Assuming the ECH Board (on January 13, 2016) and this Board approve the revisions to the ECH Bylaws as presented, the expiring term will be extended an additional year, expiring on June 30, 2017 instead. For this reason, the Ad hoc Committee instructed staff not to proceed with any recruitment activities.</p>
Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives:	To decide next steps for the Ad Hoc Committee.
Suggested discussion questions:	<ol style="list-style-type: none"> 1. Should the Ad Hoc Committee continue its work in FY16? 2. If yes, should staff begin passive recruitment activities? OR 3. Should the Ad Hoc Committee be disbanded if the Board approves Draft Resolution 2016-02 amending the ECH Bylaws, since there will be no further work for it complete in FY16 and its purpose will be complete?
Proposed board motion, if any:	At the discretion of the Board
LIST OF ATTACHMENTS:	None

ATTACHMENT 15



Monthly Update for November 2015



Executive Director Report

I hope that each of you enjoyed a very Happy Thanksgiving.

The [Board of Directors](#) continues to be active in the development of the ACHD strategic plan. The Finance Committee and Board of Directors each held meetings on November 12, 2015, and a number of important topics were discussed. Board and Association succession planning was one of the topics reviewed, including identification of members to fill Board and Committee positions that will be vacant in the near future. The Association depends upon our Members being active at various levels of the organization and we encourage Members to become active and involved.

Please mark your calendars for the January 2016 Leadership Academy, on January 21-22, 2016 at the Hyatt Regency in Sacramento. Along with other distinguished speakers, Richard Gianello, President, Healthcare Financial Solutions (HFS) has now been confirmed for a highly informative and educational session. HFS has provided several of our Healthcare Districts with human resource, financial and accounting support; Rich will be presenting his experience with trustee oversight of Healthcare District financial operations and strategic planning, along with key financial indicators and management reporting.

I'd like to also acknowledge the two Healthcare Districts that have successfully completed the [Certified Healthcare District](#) process in November, as they will be receiving their Certificates and recognition this month. They are the Eden Township Healthcare District and the Peninsula Healthcare District. Peninsula will receive their recognition at their December 10, 2015 District Board meeting and Eden Township will receive their recognition at their December 16, 2015 meeting.

On behalf of the Association, our Board of Directors and your staff I would like to extend to you our heartfelt wishes to you and your family for a Healthy and Happy Holiday season and New Year. Please view our Holiday Message to you [here](#).



ACHD's 2016 Events

Please mark your calendars for our events taking place in 2016! Registration is now open. To register for ACHD's 2016 events, click [here](#). Additionally, our nomination forms for District and Trustee of the Year are now available! Access the Trustee of the Year form [here](#) and the District of the Year form [here](#). Awards will be presented at ACHD's 64th Annual Meeting in Monterey, California, on May 5, 2016. Submit your forms by March 4, 2016.

2016

REGISTER NOW!

Leadership Academy Jan 21-22, 2016 Sacramento, CA	Legislative Day April 4-5, 2016 Sacramento, CA	Annual Meeting May 3-5, 2016 Monterey, CA
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Legislative Analyst Fiscal Outlook

The Legislative Analyst's Office (LAO) released their annual [Fiscal Outlook](#) for 2016-17, noting a "decidedly positive" state fiscal situation. For 2015-16, the LAO projects that the state's "Big Three" revenue sources (personal income tax, sales and use tax, and corporation tax) will exceed budget estimates by \$3.6 billion, with most of that gain deposited into the state's Rainy Day Fund. For 2016-17, the LAO projects a year-end budget reserve of \$11.5 billion. Of this amount, the Legislature would have control over \$4.3 billion in the Special Fund for Economic Uncertainties, with the remaining held for future budget uncertainties under Proposition 2.

After 2016-17, while projected reserves provide some cushion, the state still faces risk of an economic or stock market downturn that could impact the fiscal outlook. However, according to LAO, "the state is better prepared for an economic downturn than it has been at any point in decades."

It is important to note that LAO prepares the Fiscal Outlook assuming that current revenue and spending policies remain unchanged. While the Legislature will undoubtedly make changes to policies, the report is intended to provide the Legislature with a contextual understanding of the state's fiscal health.

The report does not reflect today's actions by the California Public Employee Retirement System (CalPERS) to adopt a new risk mitigation policy that lowers the system's 7.5% long-term annual earnings assumptions and investment risk profile. Specifically, the annual earnings assumption will gradually move to 6.5%, based on investment returns. This lower rate will increase employer and employee contributions in the short-term, but the lower risk investments should also reduce volatility in investment earnings and contribution requirements over the long-term. LAO estimates that today's actions by CalPERS could increase state employee retirement costs by \$1 billion or more by 2019-20.

The LAO issued a [supplemental report](#) that more specifically discusses this issue.

For more information, contact [Jean Hurst](#).



Healthcare District Study

ACHD is working with Via Consulting to collect valuable information about Healthcare Districts. Healthcare Districts are an essential part of California's health system and are among those most affected by the continually shifting landscape of health care. Governing a public entity in these challenging times can be difficult. Compounding these challenges is a distinct lack of information regarding governance best practices specific to District boards to reference. To assist our Members in strengthening their ability to respond to these challenges, ACHD, in collaboration with Via Healthcare Consulting is conducting a study to identify effective governance practices particular to District boards.



The objectives of the study include:

- Identify structures, tools, and practices which promote effective District governance;
- Elicit feedback on the barriers/challenges to effective governance, and;
- Collect data on real-life governance success stories as well as efforts that were not successful.

We would like to invite Board Chairs and Chief Executive Officers to participate in this study by taking part in a brief 20-30 minute telephone interview. Given your unique position within your Healthcare District, ACHD believes you are in an ideal position to give us valuable firsthand information on lessons learned and pitfalls to avoid. Your participation will be a valuable addition to study the findings of which we believe can become valuable District governance reference material. To schedule a telephone interview, please contact [Sheila Johnston](#).



Healthcare District Data Survey

ACHD is seeking information about your Healthcare Districts! At your earliest convenience, please complete the short, ten question [survey](#) regarding your District demographics. The answers you provide will allow ACHD to better represent your District.



Opportunity to Become a Member of Californians Allied for Patient Protection

The Association of California Healthcare Districts (ACHD) is a member of Californians Allied for Patient Protection (CAPP), the coalition created to protect access to health care and patient safety through California's Medical Injury Compensation Reform Act (MICRA). ACHD strongly supports the preservation of MICRA.

In 2014, California voters definitively rejected Proposition 46, an attempt by trial lawyers to quadruple MICRA's non-economic damages cap. Had this ballot measure passed, California would have seen higher health care costs and decreased access to care, especially among vulnerable populations who are most in need. Despite this victory, the battle to protect MICRA continues and ACHD strongly encourages Healthcare Districts to become members of CAPP. There is no cost to be a member of CAPP and you will be in good company.

Seventeen ACHD Member Healthcare Districts and individual hospitals are current CAPP supporters, as well as more than 1,000 other organizations representing community clinics, hospitals, physicians, nurses, EMTs, labor unions, local governments, dentists and other health care providers. A complete coalition list can be found on the [CAPP](#) website. Please take a moment to complete the attached CAPP Coalition Sign-Up [Form](#). There is no cost to join CAPP. The form can be returned to AJ Kennedy, CAPP's Communication Director, via [e-mail](#), fax or mail. For questions or concerns, please contact CAPP at (916) 448-7992.



Special District Leadership Foundation Announces Scholarship Opportunities for Special Districts

The [Special District Leadership Forum](#) (SDLF) offers a number of scholarships, designed to help special district elected/appointed officials and staff participate in the foundation's programs and other educational offerings.

The scholarships offered are as follows:



Dr. James Kohnen Scholarship: This scholarship is for registration fees for all four modules of the Special District Leadership Academy or the Special District Leadership Academy Conference and is open to elected/appointed special district board members from districts with budgets of less than \$10 million, who have not previously completed the Special District Leadership Academy.

John Yeakley Special District Administrator Scholarship: This scholarship is for registration fees for continuing education related to special district governance and operations for general managers and executive staff of districts with budgets of less than \$10 million. Applicants must be currently pursuing their Special District Administrator (SDA) designation.

Education Allowance Fund: Provides financial assistance to elected officials and staff from districts with annual budgets of less than \$10 million, who are first-time attendees at select events and/or programs.

Applications for all scholarships can be found [here](#).



ACHD Partners with Capella University

ACHD is pleased to announce an education alliance with Capella University. Capella will extend a \$3000 tuition grant to all ACHD employees and Members and their immediate family members who enroll in and begin a bachelor's, master's, doctoral, specialist, or post-master's certificate program between now and August 2016. This is in addition to the 10% tuition discount. For all details simply visit www.capella.edu/ACHD.

Capella University, an accredited online university, offers a wide range of online bachelor's, master's, MBA, PhD, and certificate programs through its Schools of Healthcare and Nursing, Business and Technology, Education, Psychology, Human Services, and Public Service Leadership. Teammates will also benefit from:

- ***Complimentary nursing & professional development webinar series*** which taps into the subject matter expertise of Capella faculty
- ***Potential additional military discounts*** and benefits to any ACHD teammate who is an Armed Forces veteran, Active Duty service member, or Reserve or National Guard – to include credit for military training, participation in the Yellow Ribbon program, and assistance with Post-9/11 GI Bill benefits
- ***Disability services support*** to any Member needing such services through Capella's Disability Services Department
- ***Prior learning assessment options*** for transfer credit including evaluation of technical knowledge and skills gained from real-world experience, training, certifications, and previous education may be eligible for credit, shortening the time to degree completion and reducing your costs
- ***Over 140 degree and certificate program specializations*** offered on the undergraduate and graduate levels

For more information, visit the ACHD – Capella Welcome Page at www.capella.edu/ACHD.



CEO Evaluation

Available free of charge to all Member Healthcare Districts, ACHD offers an online Healthcare District CEO Evaluation Tool for assessing how each District Trustee perceives the CEO to be performing. There are two options; one for District CEOs no longer managing a hospital and one for District CEOs who do manage a hospital. The ACHD Board strongly encourages each District Board to complete a CEO Evaluation on an annual basis. Members interested in completing the CEO Evaluation may contact [Sheila Johnston](#).



Board Self-Assessment Tool

ACHD makes available at no charge to its Members, an on-line Board Self-Assessment Tool for assessing how each Trustee perceives the Board to be functioning. There are two Self-Assessment options; one for Districts no longer managing a hospital and one for Districts which do manage a hospital. The survey takes about 35 minutes to complete, responses are anonymous and the results are only shared with the participating Board and

Associations' Education Committee. The ACHD Board strongly encourages each District Board to complete a Self-Assessment on an annual basis. For more information, please contact [Sheila Johnston](#).



Certified Healthcare District

As public entities, Healthcare Districts have well-defined obligations for conducting business in a manner that is open and transparent. To assist ACHD Members in demonstrating compliance with these obligations, the ACHD Governance Committee has developed a core set of standards referred to as Best Practices in Governance. Healthcare Districts that demonstrate compliance with these practices will receive the designation of ACHD Certified Healthcare District.

Districts achieve Certification by demonstrating compliance with public agency reporting requirements in the following areas:

- Transparency
- Website Content
- Executive Compensation and Benefits
- State Agency Reporting
- Financial Reporting

To date, the following Healthcare Districts have achieved certification status:

- Antelope Valley Healthcare District: November, 2014
- Beach Cities Health District: October, 2014
- Eden Township Healthcare District: November, 2015
- John C. Fremont Healthcare District: March, 2015
- Palomar Health: August, 2014
- Peninsula Health Care District: November, 2015
- Petaluma Health Care District: May, 2015
- Sequoia Healthcare District: August, 2014

Members interested in applying for Certified Healthcare District status should contact [Ken Cohen](#).