

AMENDED AND RESTATED BYLAWS
OF
PENINSULA HEALTH CARE DISTRICT

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ARTICLE I

NAME, AUTHORITY, PURPOSE, AND PRINCIPAL PLACE OF BUSINESS

Section 1. NAME

The name of this District shall be "PENINSULA HEALTH CARE DISTRICT" ("District").

Section 2. AUTHORITY

a. The District, having been established December 2, 1947 by vote of the residents of said District under the provisions of Division 23 of the Health and Safety Code of the State of California (California Health & Safety Code section 32,000, et seq.), currently known and referred to herein as "The Local Health Care District Law" (formerly, "The Local Hospital District Law") and ever since said time having been operated thereunder, adopts these Amended and Restated Bylaws in conformance therewith, and subject to the provisions thereof.

b. In the event of any conflict between these bylaws and The Local Health Care District Law, the latter shall prevail.

c. These bylaws shall be known as the "District Bylaws".

Section 3. PURPOSE

The purpose of this District shall be to establish, maintain, provide for, operate (by direct operation, or by lease or other legally permitted contractual or other arrangement) and/or provide assistance in the operation of one or more hospitals, health facilities and health services, within or without the territorial limits of the District, to exercise all the powers granted to this District under the Local Health Care District Law and to do any and all other acts and things necessary to carry out the provisions of these Bylaws and The Local Health Care District Law for the maintenance of good physical and mental health in the communities served by the District and to serve the physical and mental health care needs of those communities.

Section 4. PRINCIPAL PLACE OF BUSINESS

The principal place of business of the District shall be located at Peninsula Hospital, 1783 El Camino Real, Burlingame, California, or at such other place as may be established by resolution of the Board of Directors of the District.

BOARD OF DIRECTORS

Section 1. ELECTION

The Board of Directors shall be elected or appointed in the manner and for the term provided in The Local Health Care District Law.

Section 2. POWERS

The Board of Directors shall have the following powers:

- a. To establish and determine policies for, and to have control of and be responsible for the overall operations and affairs of this District and its properties, facilities and services according to the best interests of the public health of the communities served by the District.
- b. To construct, acquire, own, maintain and operate one or more hospitals, health care facilities and health care services as authorized by the Local Health Care District Law.
- c. As to any District owned or controlled hospital, health care facility, health care service or property which is leased to or operated by another entity, to monitor the performance and compliance of any lessee or operator with the terms, conditions and provisions of any such lease or other agreement, and to exercise and enforce any and all of District's rights under any such lease or other agreement.
- d. To coordinate, where feasible and legally permissible, the services and resources of the District, to the extent permissible by the Local Health Care District Law, with other health agencies, facilities, and programs to serve the health care needs of the communities served by the District.
- e. To advance the purposes of the District by, among other efforts, working with and cooperating with public and private agencies within the District and by providing assistance (including financial assistance where feasible and legally permissible) to non-profit and public health care providers within the District.
- f. For any hospital or other permitted health facility or health service directly operated by District, to authorize formation of a medical staff to be known as

"The Professional Staff" of such hospital, health facility or health service, and to determine membership on the Professional Staff of each such hospital, facility or service, as well as the bylaws for the governance of said Professional Staff, provided that these District Bylaws shall override any provisions to the contrary in the Professional Staff Bylaws, and, in the case of conflicts, the provisions of these District Bylaws shall prevail.

- g. To do any and all other acts necessary or appropriate to carry out the powers and purposes of a local health care district under the Local Health Care District Law and these District Bylaws.
- i. To have and exercise all of the other powers granted under the Local Health Care District Law.

Section 3. MEETINGS

- a. The regular meetings of the Board of Directors of the Peninsula Hospital District shall be held monthly on such day and at such time as the Board of Directors shall from time to time establish by resolution or motion. The Chair or the Board of Directors may cancel any regular monthly meeting, provided that if a regular monthly meeting is cancelled by the Chair, the meeting will nonetheless be held on the written request of two Board members, and provided further that there shall be a regular meeting at least quarterly.
- b. Special meetings of the Board of Directors may be held in conformance with the Local Health Care District Law.
- c. All of the meetings of the Board of Directors and any of its committees, whether regular or special, shall be governed by, and noticed and conducted in accordance with the Local Health Care District Law and the Ralph M. Brown Act (commencing with Government Code section 54950, et seq.).

Section 4. COMPENSATION

The members of the Board of Directors shall serve without compensation except that each may be allowed his or her actual necessary travelling and incidental expenses incurred in the performance of official business of the District as approved by the Board of Directors.

ARTICLE III

OFFICERS

Section 1. OFFICERS ELECTED BY THE BOARD OF DIRECTORS

The Officers of this District shall be the Chair of the Board, a Vice Chair of the Board, the District Secretary and the District Treasurer, who shall be chosen by the Board of Directors. The Chair of the Board, the Vice Chair and the Secretary shall be members of the Board of Directors, but the Treasurer and any other officers appointed under section 3, below, need not be members of the Board of Directors.

There shall be a regular election of officers at the first meeting of the Board of Directors held after the first Tuesday of each odd numbered year. Each officer so elected shall serve for a term of two years or until his successor is elected.

Section 2. OTHER OFFICERS WHO MAY BE APPOINTED BY THE BOARD OF DIRECTORS

The Board of Directors may also appoint a Chief Executive Officer, an Assistant Secretary and an Assistant Treasurer, none of whom need be members of the Board of Directors, and who will serve at the pleasure of the Board of Directors.

Section 3. OFFICERS APPOINTED BY CHIEF EXECUTIVE OFFICER

The Board of Directors may also establish additional offices as it desires and prescribe titles and qualifications for such positions. The persons to fill such additional positions shall

be appointed by the Chief Executive Officer, if such officer has been appointed by the Board of Directors, subject to approval of the Board of Directors, or by the Board of Directors if there is no Chief Executive Officer. Such additional officers shall serve at the pleasure of the Board of Directors.

Section 4. RESIGNATION OR REMOVAL

Any officer whether elected pursuant to Section 1 or appointed pursuant to Sections 2 or 3 may resign at any time or be removed as follows: (a) any elected officer elected pursuant to Section 1 may be removed by the unanimous vote of the directors then in office (other than the officer him/herself if he/she is a director) at any regular or special meeting of the Board of Directors; (b) any officer appointed pursuant to Section 2 may be removed by vote of the Board of Directors then in office, and any officer appointed by the Chief Executive Officer or by the Board of Directors pursuant to Section 3 may be removed by the Chief Executive Officer subject to the approval of the Board of Directors, or by the Board of Directors. In the event of a resignation or removal of an officer elected pursuant to Section 1, the Board of Directors may elect a successor to serve for the balance of that officer's unexpired term. In the event of the resignation of an officer appointed pursuant to Section 2, the Board of Directors may appoint a successor to serve at the pleasure of the Board. In the event of the resignation or removal of an officer appointed pursuant to

Section 3, the Chief Executive Officer, or the Board of Directors if there is no Chief Executive Officer, may appoint a successor to serve at the pleasure of the Chief Executive Officer, if any, and the Board of Directors. Any appointment by the Chief Executive Officer shall be subject to the approval of the Board of Directors.

Section 5. CHAIR OF THE BOARD

The Chair of the Board, or officer acting as such:

- a. Shall preside over all the meetings of the Board of Directors.
- b. Shall sign, as Chairman of the Board, such contracts, conveyances and other instruments in writing and such checks on the funds of the District as the Board of Directors shall authorize or direct him to sign. The Board of Directors may designate any other person or persons who shall have authority to sign checks drawn on the funds of the District, and to execute in the name of the District all contracts and conveyances and any other instruments in writing.
- c. Shall perform such other duties as pertain to the office as are prescribed by the Board of Directors.
- d. Shall, in the absence of a serving Chief Executive Officer, act as Chief Executive Officer.

Section 6. VICE CHAIR

In the absence or inability of the Chairman of the Board to serve, the Vice Chair shall perform the duties of the Chairman of the Board.

Section 7. SECRETARY

- a. The Secretary shall act as Secretary of both the District and the Board of Directors.
- b. The Secretary shall be responsible for seeing that records of all actions, proceedings, and minutes of meetings of the Board of Directors are properly kept and are maintained at the District Hospital.
- c. The Secretary shall be responsible for seeing that all ordinances and resolutions of the Board of Directors pertaining to policy and government of the District and its facilities are properly recorded and are maintained at the District Hospital.
- d. The Secretary shall serve, or cause to be served, all notices required either by law or these bylaws, and in the event of the Secretary's absence, inability, refusal or neglect to do so, such notices may be served by any person thereunto directed by the Chairman of the Board or Board of Directors of this District.
- e. The Secretary shall be responsible for seeing that the seal of this District is in safekeeping at the District Hospital and shall use it under the direction of the Board of Directors.
- f. The Secretary shall perform such other duties as pertain to the office and as are prescribed by the Board of Directors.

Section 8. TREASURER

- a. The Treasurer shall have responsibility for the safekeeping and disbursement of funds in the treasury of the District in accordance with the provisions of The Local Health Care District Law and in accordance with such resolutions, procedures and directions as the Board of Directors may adopt.
- b. The Treasurer shall receive any regular periodic or other reports with respect to the financial condition of the District and shall present such reports to the Board of Directors as directed by the Board of Directors.
- c. The Treasurer shall perform such other duties as pertain to the office and as are prescribed by the Board of Directors.

Section 9. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall manage and oversee the operation and activities of the District, and the operation of any hospital, health facility or health service directly operated by District, and shall monitor and oversee the management and operation of any hospital or other District health facility or health service not directly operated by District, and the performance of the lessee or operator of any such hospital, health facility or health service under the applicable lease or other agreement. The Chief Executive Officer shall regularly advise and report to the Board of Directors, and implement such policies, rules, procedures, duties, responsibilities and actions as directed or established by the Board of Directors.

The Chief Executive Officer shall serve at the pleasure of the Board, which shall specify and fix the terms and conditions of his employment.

Section 10. ASSISTANT TREASURER

The Assistant Treasurer shall perform the duties of the Treasurer in the Treasurer's absence and shall perform such duties as the Board of Directors may direct.

Section 11. ASSISTANT SECRETARY

The Assistant Secretary shall assist the Secretary in performing the Secretary's duties and shall perform such duties as the Board of Directors or the Secretary may direct.

ARTICLE IV

COMMITTEES

Section 1. STANDING COMMITTEES

The Board of Directors may, from time to time, establish such standing Committees as it deems necessary or appropriate to assist the Board of Directors and carry out the goals, functions and purposes of the District. Such Committees may include but are not limited to a Management Committee, a Finance Committee, a Building Committee, a Joint Conference Committee, an Audit Committee. The Board of Directors shall prescribe and establish the duties of and responsibilities of any Standing Committee it establishes. Each Standing Committee shall be selected by the Chair of the Board of Directors, and shall be comprised of at least two members of the Board of Directors, one of whom, selected by the Chair, shall be chair of the committee, provided that the Chair of the Board of Directors shall be one of the two Board members of the Management Committee, if established, and shall be its chair, and the Treasurer shall be one of the two Board members of the Finance Committee, if established, and its chair. The Chair may appoint other officers, other Board members and members of the professional staff of any hospital, health

facility, or health service owned or operated by the District as members of any Standing Committee. All members of Standing Committees shall serve at the pleasure of the Board of Directors. If a member of a Standing Committee cannot attend a meeting of that committee, the Chair of the Board of Directors may, but shall not be required to, appoint a substitute member for that meeting. Fifty percent of the appointed members of a Standing Committee shall constitute a quorum at any meeting, and any action of the Committee may be taken or adopted by a majority of the quorum present. All Standing Committees shall be advisory to the Board of Directors unless otherwise specified by the Board.

Section 2. SPECIAL COMMITTEES

Special Committees may be appointed by the Chair of the Board of Directors or by the Board of Directors for such tasks as the Board of Directors or the Chair may direct. The Chair of the Board of Directors or the Board of Directors shall appoint the membership and the chair of such special committees, and prescribe the functions, duties and responsibilities of such special committees. All members of Special Committees shall serve at the pleasure of the Board of Directors. All special committees shall be advisory to the Board of Directors unless otherwise specified by the Board. The rules specified for Standing Committees regarding substitute members, and quorum shall apply to Special Committees.

ARTICLE IV

Section 3. REVIEW OF COMMITTEE COMPOSITION

The composition of all Standing Committees and Special Committees shall be reviewed by the Board of Directors after each election involving a position on the Board of Directors or after a new member is appointed to the Board of Directors. Upon such review, (1) the Chair of the Board of Directors may reconstitute any and all Standing Committees in accordance with the guidelines established in Section 1, Article IV, of these Amended and Restated Bylaws, and (2) the Chair of the Board of Directors or the Board of Directors may reconstitute any and all Special Committees in accordance with the guidelines established in Section 2, Article IV, of these Amended and Restated Bylaws.

ARTICLE V

PROFESSIONAL STAFF

Section 1. STANDARDS, BYLAWS, RULES AND REGULATIONS

The Board of Directors may by resolution adopt bylaws, rules and regulations for the organization, government, eligibility and conduct of the Professional Staff for any hospital or other health facility or health service directly operated by the District. Such bylaws, rules and regulations shall contain minimum standards not less than the rules and standards of private or voluntary hospitals, or like facilities or services, operating within the District, insofar as they are consistent with laws applicable to the District, and shall contain provisions for appointments to and removals from the Professional Staff, qualifications and eligibility for membership on the Professional Staff for and Professional Staff privileges, procedures for the determination of eligibility, qualifications, appointment to and removal from the Professional Staff, for denials, limitations, suspension and revocation of Professional Staff privileges, and for hearings and appeals. The Professional Staff may make recommendations as to these matters for consideration by the Board of Directors.

Section 2. BOARD OF DIRECTORS POWERS

The Board of Directors shall be responsible for

- (a) appointing, suspending and dismissing Professional Staff members,
- (b) denying reappointment to the Professional Staff,

(c) granting and denying of the privileges of any practitioner at any hospital or other health facility or health service directly operated by the District, and (d) restricting or limiting privileges of any practitioner at any hospital or other health facility or health service directly operated by the District.

Section 3. CONFLICTS WITH DISTRICT BYLAWS

In the event that any of the provisions of these Bylaws are in conflict with any of the provisions of the Professional Staff bylaws which may hereafter be adopted as to any hospital, health facility or health service operated by the District, these Bylaws, and any amendments thereto shall be deemed to be controlling.

ARTICLE VI

AMENDMENT OF BYLAWS

These Bylaws may be amended by affirmative vote of a majority of the total number of members of the Board of Directors at any regular or special meeting of the Board of Directors, provided a full statement of such proposed amendment shall have been sent to each board member not less than seven (7) days prior to the meeting, and provided there is compliance with the provisions of Article II, section 3.c.

ARTICLE VII

DIRECT OPERATION BY THE DISTRICT

As used in these Bylaws, terms such as "directly operated by the District", or "operated by the District" shall be deemed to include the operation of any hospital, or other health facility or health service by the District itself or by any entity pursuant to a management contract with the District, but shall not include those operated under any legally permitted lease from the District, pursuant to any legally permitted transfer of assets from District, or through any corporation, joint venture or partnership established by, or maintaining or carrying on activities for the benefit of the District.

Amended by Resolution No. 97-02, at a meeting of the Board of Directors of the Peninsula Health Care District, duly noticed and held on the 23 day of January 1997.

Amended by Resolution No. 99-05, at a meeting of the Board of Directors of the Peninsula Health Care District, duly noticed and held on the 6th day of January 1999.

RESOLUTION AMENDING THE PENINSULA HEALTH CARE
DISTRICT'S AMENDED AND RESTATED BYLAWS

WHEREAS, on January 23, 1997, by Resolution 97-01, the Peninsula Health Care District ("District") adopted Amended and Restated Bylaws of the District ("Bylaws"); and

WHEREAS, the District desires to amend its Bylaws to require that the composition of all Standing Committees and Special Committees be reviewed by the Board of Directors after each election involving a position on the District Board of Directors where a new Board member is elected or after a new member is appointed to the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby amend the Bylaws by adding the following Section 3 to Article IV of the Bylaws:

Section 3. Review of Committee Composition

The composition of all Standing Committees and Special Committees shall be reviewed by the Board of Directors after each election involving a position on the Board of Directors or after a new member is appointed to the Board of Directors. Upon such review, (1) the Chair of the Board of Directors may reconstitute any and all Standing Committees in accordance with the guidelines established in Section 1, Article IV, of these Amended and Restated Bylaws, and (2) the Chair of the Board of Directors or the Board of Directors may reconstitute any and all Special Committees in accordance with the guidelines established in Section 2, Article IV, of these Amended and Restated Bylaws.

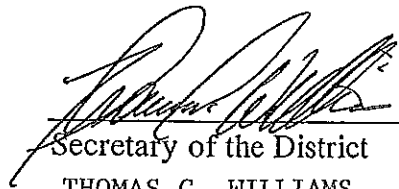
BE IT FURTHER RESOLVED that this amendment to the Bylaws shall be effective commencing November 1, 1998.

Passed and adopted at a meeting of the Board of Directors of the Peninsula Health Care District, duly held on the 6th day of January, 1999, by the following vote:


AYES: Directors: Newman, Friedman and Smith

NOES: Directors: Muzzi and Williams

ABSENT: None


Secretary of the District
THOMAS C. WILLIAMS

APPROVED:


Chair of the Board of Directors
SUSAN S. SMITH

