

**AMENDED BYLAWS OF
ANDERSON VALLEY HEALTH CENTER, INC.**

**ARTICLE I
Purpose**

Section 1. Objectives and Purposes

The Anderson Valley Health Center Corporation exists to ensure provision of quality, affordable health care for the Anderson Valley community.

**ARTICLE II
Offices**

Section 1. Principal Office

The name of this organization shall be the ANDERSON VALLEY HEALTH CENTER, INC. (AVHC) and its principal office shall be located and fixed in the town of Boonville, County of Mendocino, State of California.

Section 2. Other Offices

The Board of Directors may establish branch or subordinate offices at any time as its business may require and as the Board designates by a duly adopted resolution.

**ARTICLE III
Membership**

Section 1. Members

The Anderson Valley Health Center, Inc. shall have no members. Any action, for which there is no specific provision in the California Nonprofit Public Benefit Corporation Law applicable to a corporation which has no members and which would otherwise require the approval by the members, shall require only approval of the Board. All rights, which would otherwise vest in the members, shall vest in the Directors.

ARTICLE IV **Directors**

Section 1. General Powers

Subject to the limitations of the Articles of Incorporation, the Bylaws and the laws of the State of California, the business, property and affairs of this Corporation shall be managed, directed and controlled by and under the authority of a Governing Board known as the AVHC Board of Directors.

Section 2. Authorities, Responsibilities and Functions

The Board of Directors shall be responsible for managing the affairs of the corporation and is legally responsible to ensure that the corporation is operating in accordance with all applicable federal, state and local laws and regulations. The Board will establish policies guiding the AVHC activities, including personnel, health care, financial and quality assurance and will be responsible to monitor and evaluate the activities.

Without limiting the general powers, the Board duties shall include:

- Establish AVHC strategic plans and priorities
- The selection of and the conditions of employment and compensation of the Executive Director of the AVHC are solely at the discretion of the Board, and the Executive Director is considered to be the single employee of the corporation. The Board is responsible for evaluating the performance of the Executive Director annually.
- Authorizing and empowering officers or agents of the AVHC to enter into contracts and other commitments on behalf of the corporation.
- Adopting and monitoring policies and procedures for financial management of the AVHC, including adopting annual budgets, approving FQHC grant applications, approving monthly financial statements, adopting eligibility requirements and fees for partial payment for services (sliding fee schedule) and for adopting fee schedules for services provided.
- Providing for an annual, independent financial audit and approving the audit and any corrective action plans.
- Developing and monitoring progress on annual and long-term program and financial goals to ensure the continuing viability of the AVHC.
- Adopting and monitoring personnel policies and procedures.
- Adopting and monitoring health care policies, including scope of services, hours of operation, performance and quality improvement and evaluation of patient satisfaction.

Section 3. Number and Qualifications of Directors

The Governing Board shall be composed of no fewer than nine (9) and no more than fifteen (15) Directors, of which one (1) or two (2) shall be a Student Member. All Directors shall reside in Anderson Valley and at least 51% shall be AVHC services consumers. The Board of Directors shall reflect the community served by AVHC in terms of demographic factors such as race, ethnicity, and sex.

Section 4. Term of Office

The Directors shall serve a term of three (3) years. The Student Member terms shall be one (1) year.

Section 5. Selection of Directors

Selection of the Directors shall be staggered and the number of Directors to be elected in any one (1) year shall depend on the size of the Board; no more than four (4) Directors shall be selected in any one (1) year when the Board consists of 12 or less Directors; and no more than five (5) Directors shall be selected in any one (1) year when the Board consists of 13-15 Directors.

Notwithstanding the aforementioned staggered election of Directors, the Student Member shall be selected in September of each year.

The Directors shall be selected at the annual meeting of the Corporation in January, in the following manner:

- During the December Board meeting preceding the annual meeting, notice will be given that there will be selection of Board Members in January.
- The Board Development and Governance committee shall present a slate of nominees at the Annual Meeting. Selection will be made by the Directors by written ballot.
- Following the tabulation of votes by the Secretary of the Board, Directors will be announced and shall assume their duties.

Section 6. Vacancies

Each Director shall serve until his or her successor is elected and installed. Vacancies created by resignation, death, disability, or any other inability to serve shall be filled by a vote of the remaining Directors at their next regular meeting. A majority of the remaining Directors shall constitute a quorum.

Section 7. Removal of a Director

A Board member may be removed for:

- Cause;
- Excessive absenteeism or three (3) consecutive regular meetings, or more than 50% of the meetings in any year without a leave of absence approved by the AVHC Board of Directors ;
- The Director has been convicted of a felony;
- The Director has been found by a final order or judgment of any court to have breached any duty arising under Article 3 of the California Nonprofit Benefit Corporation;
- The Director has been declared of unsound mind by a final order of a court.

Section 8. Compensation

Members of the Board will serve without compensation. Certain expenses may be reimbursed as determined by the Board. The Board, by resolution, shall determine the limits of any corporate reimbursement.

Section 9. Conflicts of Interest

The Board of Directors will not make policy or financial decisions that would appear to be to their personal, professional or financial gain.

The Anderson Valley Health Center, Inc. will not make or guarantee loans for members of the Board of Directors or staff of the Center.

All Directors are prohibited from acting in a fashion which poses a conflict of interest or the appearance of a conflict of interest. Specifically, the Board of Directors shall not approve a self-dealing transaction unless such transactions have been fully discussed in a regular meeting of the Board, the transaction is deemed in such meeting to be fair and reasonable to the Corporation at the time it is entered into, the Director involved has not voted on the issue and it is approved by a majority of disinterested Directors. A self-dealing transaction is one in which the Corporation and a Director are both parties or in which the Corporation and any entity in which one or more of the Directors has a financial interest are both parties.

Conflict of interest or the appearance of conflict of interest will be prohibited and applies to members of the Board of Directors, employees, consultants and those who provide services or furnish goods to the Anderson Valley Health Center.

No Board Member may be an employee or relative of an employee.

Any director, officer, or key employee who has an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of their interest to the Board or committee prior to its acting on such contract or transaction that might reasonably be construed to be adverse to the corporations' interest.

No member or director shall cast a vote on any matter which has a direct bearing on services to be provided by that member, director, or any organization which such member or director represents or which such member or director has an ownership interest or is otherwise interested or affiliated, which would directly or indirectly financially benefit such member or director. All such services will be fully disclosed or known to the Board members present at the meeting at which such contract shall be authorized.

Section 10. Nepotism

Board members and personnel may not directly or indirectly supervise, hire, terminate or exhibit favoritism for immediate family members:

- a) Immediate family members include husband, wife, life partner, father, father-in-law, mother, mother-in-law, sister, sister-in-law, brother, brother-in-law, son, son-in-law, daughter, daughter-in-law, grandparents and grandchildren.
- b) No Director may be an employee of the Corporation. If a Director submits an application for employment with the Corporation, that Director shall automatically be deemed to have resigned from the Board effective from the date such application is submitted. That Director shall be ineligible for membership on the Board of Directors for a period of one year.
- c) Not more than one person from an immediate family shall serve on the Board of Directors or work for the Corporation at the same time.
- d) Notwithstanding the prohibition in Section IV of this Article, in extenuating circumstances, an exception may be made when positions are difficult to fill or for persons who are exceptionally qualified for a position. This exception may be made by an affirmative vote of 2/3 of the Board of Directors.

Section 11. Confidential Information

Directors or personnel shall not, during or after their association with the Corporation, knowingly or improperly disclose non-public information acquired through their position with the Corporation. This includes but is not limited to medical, personnel, and business information. Directors and personnel shall comply with the provisions of HIPPA.

Because Board and Committee members may have access to personal and confidential information about AVHC patients, staff and general business practices, each Board and Committee member is required, at the time of his/her orientation, and annually thereafter, to sign a confidentiality statement indicating his/her understanding of the need for strict adherence to protecting information about the AVHC. Board members signed statements will be kept on file in the AVHC administration office.

ARTICLE V **Meetings**

Section 1. Meeting Schedule

The Board of Directors shall meet monthly on a day and time determined by the majority of the Board of Directors.

Section 2. Quorum

A quorum of the Board of Directors shall be a simple majority of the Board of Directors. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board. In the event that there is not a quorum at the start of a duly held meeting, the number of directors required to establish a quorum may be contacted to attend the meeting by telephone. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action is taken or decision is approved by at least a majority of the required quorum for the meeting.

Action on the following matters shall require the affirmative vote of a majority vote of the entire Board:

- Approval of the annual budget.
- Expenditure of unbudgeted amounts over \$2500.
- Amendment of these Bylaws.
- Amendment of the Personnel Policies.
- Removal of a Director from the Governing Board. Such action shall be accomplished by secret ballot.
- Filling of vacancies on the Board.
- Approval of any action for which the California Nonprofit Public Benefit Corporation Law requires approval of a majority of all Directors.

Section 3. Annual Meeting

The annual meeting of the Board of Directors shall be in January on a day and time determined by a majority of the board of Directors. Elections of Directors and Officers of the Board shall take place at this meeting.

Section 4. Special Meetings

An emergency meeting of the Board of Directors may be called by any three (3) Directors as quickly as all Directors can be notified in writing, proper notice given and a quorum duly assembled.

The Chairperson, Vice Chairperson or any three (3) Directors may call special meetings of the Board for any purpose or purposes at any time.

Section 5. Notice

Regular meetings of the Board may be held without notice. Special meetings of the Board shall be held upon five (5) days notice by first-class mail or email or forty-eight (48) hours notice delivered personally or by telephone. If sent by mail or email, the notice shall be deemed to be delivered on its deposit in the mails. Such notices shall be addressed to each Director at his or her address as shown on the books of the Corporation. The notice shall state the time of the meeting and the place, if other than the principal office of the Corporation. It need not specify the purpose of the meeting.

Section 6. Action Without Meeting

Any action that the Board is required to or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action; provided, however, that the consent of any Director who has a conflict of interest as described in Article IV, Section 8, shall not be required for approval of the transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 7. Adjournment

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

ARTICLE VI **Officers**

Section 1. Designation of Officers

The Officers of the Corporation consist of a Chairperson, Vice Chairperson and Secretary and Treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each position and elect or appoint persons to fill the positions, as the Board deems necessary. No person may serve in more than one office. Officers shall be members of the Board of Directors.

Section 2. Election of Officers

At the annual meeting of the Board of Directors, the Board shall choose from among the directors a Chairperson (Chair), a Vice Chairperson (Vice Chair), a Secretary and a Treasurer, each of whom shall hold office until the next annual meeting of the Board of Directors and until his or her successor is elected and qualified. Any officer elected shall not serve more than three (3) consecutive one (1) year terms in that same office.

Section 3. Removal of Officers

Any Officer appointed or elected by the Board of Directors may be removed with cause by a two-thirds vote of the Board of Directors whenever, in its judgment, the best interest of the Corporation will be served thereby, but such removal shall be without prejudice to the remaining rights of the Director so removed.

Section 4. Resignation

Any officer may resign his or her office by giving written notice to the Board of Directors. Any such resignation shall take effect at the date of receipt of such notice or at any time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancy

Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled promptly by the Board of Directors. A person filling a vacant office shall serve in that office for the unexpired portion of the predecessor's term.

Section 6. Duties of the Officers

Chairperson:

The Chairperson (Chair) shall be the principal executive officer of the Corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the Corporation and the activities of the officers. He or she shall preside at all meetings of the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks or other instruments which may from time to time be authorized by the Board of Directors.

Vice Chairperson:

In the absence of the Chairperson, or in the event of his or her inability or refusal to act, the Vice Chairperson (Vice Chair) shall perform all the duties of the Chair and when so acting

shall have all the powers of and be subject to all the restrictions on the Chair. The Vice Chair shall have other powers and perform such other duties as may be prescribed by law, by the Article of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

Secretary:

The Secretary shall seek to attend all meeting of the Board of Directors and cause a record of all dates and times, attendance and proceedings of the meetings of the Board of Directors and its committees to be kept in a book of minutes at the principal office of the AVHC. The Secretary shall have general charge of the Articles of Incorporation, bylaws and record books of the Corporation.

Treasurer:

The treasurer shall cause to be kept and maintained a correct and adequate record of all assets, liabilities, profit and loss statements and balance sheet for the AVHC and shall make a financial report at each board meeting. The treasurer shall chair the finance committee, assist in the preparation of the budget, help develop fundraising plans, make financial information available to board members and the public and perform other financial related duties as directed by the Chairperson.

Section 7. Executive Director

In addition to the officers of the Corporation, the Board of Directors shall also appoint an Executive Director. The Executive Director shall be subject to the direction and control of the Chairperson, have all of the powers of, and be subject to all of the responsibilities of, a Chief Executive Officer of a corporation and shall, subject to the control of the Board of Directors, supervise and control the business and affairs of the Corporation. The Executive Director shall perform all duties typically incident to the office of Chief Executive Officer and such other duties as may be required by law, by the Articles of Incorporation of this Corporation or these Bylaws, or that may be prescribed from time to time by the Board of Directors. The Executive Director shall serve as an ex-officio member of the Board without any voting rights. The Executive Director also shall be subject to such restrictions as the Board of Directors may from time to time direct. The Executive Director shall serve for such compensation as may be established and adjusted from time to time by the Board of Directors.

ARTICLE VII **Committees**

Section 1. Committees of the Board

The Board will establish standing and ad hoc committees to assist it in the development and operation of policies and procedures at AVHC. The standing committees shall be the:

- Executive Committee
- Finance Committee
- Board Development and Governance Committee
- Performance Improvement Committee
- Strategic Planning Committee

Each Board committee shall:

- Be established by a majority vote of the Board
- Have a chairperson appointed by the Chairperson of the Board
- Monitor assigned management area performance and report periodically to the full Board (standing committees)
- Consider issues as requested and make recommendations to the full Board for action (standing or ad hoc committees)
- The membership of all committees shall include at least one Board member and may include members of the community at the discretion of the Board.
- Consider a quorum to be a majority of the voting members of the committee and all actions taken by a majority of the voting members present shall be an act of the committee.

Section 2. Executive Committee

The Executive Committee consists of the Officers of the Board of Directors and the Executive Director as an ex-officio member with no voting rights. It is empowered and expected to act between regular Board meetings as needed at the direction of the Chairperson of the Board or by consensus. The Executive Committee shall make a full report of any actions taken and must be ratified by the Board at the next regular meeting and recorded in the Board meeting minutes.

The Executive Committee shall have all the power of the Board, except that it may not:

- Approve any action that, under law or the provisions of these Bylaws, requires the approval of the members or a majority of all of the members of the Board.
- Fill vacancies on the Board or on any committee that has the authority of the Board.

- Fix compensation of the Directors for serving on the Board.
- Amend or repeal any Bylaws or adopt new Bylaws.
- Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable.
- Appoint committees of the Board or the members thereof.
- Remove any member of the Board
- Create or alter clinic policies

The Executive Committee is further responsible to prepare a draft performance evaluation of the Executive Director annually and report its recommendations to the full Board for ratification in closed session.

By majority, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records and report the same to the Board at the next regular Board meeting

Section 3. Finance Committee

The Finance Committee shall consist of the Treasurer of the Board as the Chairperson, the Chief Financial Officer, as an ex-officio member without voting rights, and at least two other members of the Board.

The Finance Committee shall:

- Meet monthly to review the prior months financial statements of the AVHC, compare the results to the current budget and note any significant differences, evaluate any discrepancies and report to and recommend approval of the statements to the full Board at their next meeting.
- Review and discuss staff recommendations for the annual Budget and present the draft Budget to the Board for approval by June of each year.
- Review existing and recommend new financial policies for Board approval.
- Define longer term financial plans
- Keep written minutes of all meetings and make sure they are filed.

Section 4. Board Development and Governance Committee

The Board Development and Governance Committee shall consist of a Chairperson appointed by the Board Chair and at least two other members of the Board. Staff will be assigned as needed.

The Board Development and Governance Committee shall:

- Be responsible for the recruitment, orientation and training of Board members.
- Develop and maintain a Board member handbook
- Board training and assessment
- Periodic review of personnel policies
- Annual review of the bylaws of the AVHC
- Keep written minutes of all meetings and make sure they are filed.

Section 5. Performance Improvement Committee

The Performance Improvement Committee shall consist of a Chairperson, appointed by the Board Chair, and at least one other Board Member. Other individuals may be appointed to the committee who are not Board members, but have skills and knowledge that would contribute to the Performance Improvement responsibilities of the AVHC. The CEO and the CMO of the AVHC are ex-officio members of this committee as well, without voting rights.

The Performance Improvement Committee is responsible to approve the Quality Improvement program and policies of the AVHC and to oversee and monitor progress of the internal quality improvement activities, including clinical activities, conducted under the QI programs, including performance versus goals and measures.

The Performance Improvement committee will provide periodic reporting of program status and education and training to the Board as needed. Minutes of the committee will be recorded and filed.

Section 6. Strategic Planning Committee

The Strategic Planning Committee shall consist of a Chairperson appointed by the Board Chair and at least two other members of the Board. The CEO will be an ex-officio member of this committee, without voting rights.

The Strategic Planning Committee is responsible for:

- Developing plans that will ensure the long term viability of the Anderson Valley Health Center and the providing of quality health care in the service area

- Developing succession plans for key staff members of the AVHC
- Developing good working relationships with other Health Center Boards and organizations in Mendocino county
- Reporting to the Board periodically
- Minutes of all meetings of the committee will be recorded and filed

ARTICLE VIII **Finance**

Section 1. Fiscal Year of the Corporation

The fiscal year of the Corporation shall begin on July 1 and end on June 30 in each year.

Section 2. Execution of Instruments

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution, authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 3. Gifts

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or device for the purposes of this Corporation.

Section 4. Prohibition Against Sharing Corporate Profits and Assets

No Director, officer, employee, or other person connected with this Corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the Corporation in effecting any of its purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors.

No Director, officer, employee or other person connected with this Corporation, or any private individual, shall be entitled to share in the distribution of, and shall not receive, any of the Corporate assets on dissolution of the Corporation. All Directors of the Corporation shall be deemed to have expressly consented and agreed that on such

dissolution or winding up of the affairs of the Corporation, whether voluntarily or involuntarily, the assets of the Corporation, after all debts have been satisfied, shall be distributed as required by the Article of Incorporation of this Corporation and not otherwise.

ARTICLE IX **Indemnification and Insurance**

Section 1. Indemnification

The Corporation shall, to the maximum extent permitted by the California Nonprofit Corporation Law, and in accordance with that law, indemnify each of its agents against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of the Corporation. For the purposes of this Section an "agent" includes any person that is an officer, Director, employee or other agent.

Section 2. Insurance

The Corporation may, to the maximum extent permitted by the California Nonprofit Corporation Law or the Employee Retirement Income Security Act (ERISA) 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.

ARTICLE X **Corporate Records and Reports**

Section 1. Maintenance of Corporate Records

The Corporation shall keep at its principal office:

- Minutes of all meetings of the Board of Directors and committees of the Board indicating time and place of holding such meetings, whether regular or special, how called and notice given, and the names of those present and the proceedings thereof;
- Adequate and correct books and records of accounts, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- A record of members of the Board of Directors indicating names, addresses, contact information, Board term expiration date and Board committee membership; and

- A copy of the Articles of Incorporation and Bylaws of this Corporation, each as amended to date.

ARTICLE XI
Amendment of Bylaws

Section 1. Amendments

These Bylaws may be amended by a vote of the Board of Directors. However, prior to any vote to amend these Bylaws, the Directors shall be given seven (7) days advance notice of any motion to amend the Bylaws.

Section 2. Effective Date

These Bylaws shall become effective immediately on their adoption. Amendment to these Bylaws shall become effective upon adoption unless otherwise stated in the resolution adopting the amendments.

ARTICLE XII
Dissolution

Section 1. Dissolution

On the winding up and dissolution of this Corporation, after paying or adequately providing for the debts, obligations, and liabilities of the Corporation, the remaining assets of this Corporation shall be distributed to such organizations organized and operated exclusively for charitable, religious, scientific, testing for public safety, literary, or educational purposes or the prevention of cruelty to children or animals which has established its tax-exempt status under Section 501 (c) (3) of the Internal Revenue Code, or the corresponding provision of any future United States internal revenue law.

Certification of Secretary

This is to certify that the foregoing Bylaws, inclusive of this Certificate, are a true and correct copy of the Bylaws of Anderson Valley Health Center, Inc. as adopted by such Corporation in accordance with all requirements of law.

Name: _____ Dated: _____
Secretary of the Board

Adopted April 28, 2014