



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

August 27, 2021

MEETING NOTICE

In compliance with Governor Gavin Newsom's Reopening Plan for California and Executive Order N-29-20, we will continue to conduct the meeting of the Board of Directors of Washington Township Hospital Development Corporation via Zoom only on Thursday, September 2, 2021. The meeting will commence at 12:30 p.m.

Join Zoom Meeting

<https://zoom.us/j/94952558497?pwd=QlFHdVBpSi95MGhoNIJ3eXZFcHIWdz09>

Dial by your location: +1 669 900 9128 US (San Jose)

Meeting ID: 949 5255 8497

Passcode: 110323

Portions of this meeting may be held in closed session in accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Recording Secretary at (510) 818-7075. Notification two working days prior to the meeting will enable the Recording Secretary to make reasonable arrangements to ensure accessibility to this meeting.

This notice is posted pursuant to Section 54954 of the Government Code.

By direction of the President & Chief Executive Officer
Washington Township Hospital Development Corporation

Vanessa Terrasas

Vanessa Terrasas
Recording Secretary

Kimberly Hartz, President and Chief Executive Officer

Ohlone College Student Health Center • Washington Medical Billing • Washington on Wheels • Washington Outpatient Rehabilitation Center
Washington Outpatient Surgery Center • Washington Radiation Oncology Center • Washington Sports Medicine
Washington Township Medical Foundation • Washington Urgent Care



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

AGENDA

BOARD OF DIRECTORS' MEETING WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

Thursday, September 2, 2021 – 12:30 P.M.
2000 Mowry Avenue, Fremont, CA 94538
Meeting Conducted via Zoom

Join Zoom Meeting

<https://zoom.us/j/94952558497?pwd=QIFHdVBpSi95MGhoNIJ3eXZFcHIWdz09>

Dial by your location: +1 669 900 9128 US (San Jose)

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Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call Vanessa Terrasas, Recording Secretary, at (510) 818-7075 for assistance so the necessary arrangements can be made.

		PRESENTED BY:
I.	CALL TO ORDER	Chair
II.	ROLL CALL	Vanessa Terrasas, Executive Assistant
III.	CONSIDERATION OF MINUTES OF July 12, 2021	<i>Motion Required</i>
IV.	COMMUNICATIONS A. Oral B. Written	
V.	PRESIDENT AND CHIEF EXECUTIVE OFFICER REPORT	Kimberly Hartz, President and Chief Executive Officer
VI.	FINANCIAL REPORT	Chris Henry Vice President and Chief Financial Officer

- | | | |
|--------------|--|-------|
| VII. | ACTION ITEM | Chair |
| | A. Initial Presentation and Discussion of Proposed Draft Amended and Restated Bylaws | |
| VIII. | CLOSED SESSION | Chair |
| | A. Report involving trade secret pursuant to Health and Safety Code, Section 32106. Estimated public disclosure date September 2021. | |
| IX. | ADJOURN TO OPEN SESSION & REPORT ON CLOSED SESSION | Chair |
| X. | ADJOURNMENT | Chair |

NEXT MEETING: NOVEMBER 15, 2021

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on July 12, 2021 via Zoom in order to comply with Governor Gavin Newsom's Reopening Plan for California and Executive Order N-29-20. Chairman Sah called the meeting to order at 12:00 p.m.

*CALL
TO
ORDER*

Present: Directors Russ Blowers, Steven Chan, D.D.S., Miro Garcia, Sue Querner, Benn Sah, M.D. and Kimberly Hartz, President and Chief Executive Officer

*ROLL
CALL*

Absent: None

Also present: Chris Henry, Vice President and Chief Financial Officer, Walter Choto, Sr. Director, Ambulatory Care Services, Paul Kozachenko, Attorney and Vanessa Terrasas, Executive Assistant

Guests: Galen R. Hamilton, Chief Operating Officer, Washington Township Medical Foundation, Dan Nardoni, Chief Financial Officer, Washington Township Medical Foundation

A motion was made by Director Blowers, seconded by Director Garcia to approve the minutes of the meeting of February 3, 2021. The motion was carried by the following vote:

*APPROVAL OF
MINUTES OF
February 3, 2021*

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah

Noes: None

Absent: None

Abstain: None

Ms. Hartz noted that there was no written or oral communication.

COMMUNICATIONS

Ms. Hartz deferred the President and Chief Executive Officer Report to the next scheduled board meeting that is set to take place on August 16, 2021.

*PRESIDENT & CHIEF
EXECUTIVE OFFICER
REPORT*

In accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, Chairman Sah adjourned the meeting to closed session at 12:04 p.m.

*ADJOURN TO CLOSED
SESSION*

Chairman Sah adjourned the meeting to open session at 1:50 p.m. He reported that no action was taken in closed session.

*ADJOURN TO OPEN
SESSION*

The Washington Township Medical Foundation (WTMF) Budget Estimate for fiscal year 2021/22 was presented for approval. The budget included total operating revenue of \$49,303,955 and total expenses of \$73,257,051 for a budgeted net loss of (\$23,953,096). The Capital Budget is estimated at \$132,371.

*ACTION ITEMS –
WTMF Budget Estimate
FY 2021/22*

Director Blowers moved to accept the Washington Township Medical Foundation Budget Estimate for fiscal year 2021/22. On a second from Director Chan, the motion was carried with the following vote:

*ACTION ITEMS -
(CONT'D)
WTMF Budget Estimate
FY 2021/22*

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah
Noes: None
Abstain: None
Absent: None

The Washington Township Hospital Development Corporation (DEVCO) Budget Estimate for fiscal year 2021/22 was presented for approval. The budget included total operating revenue of \$42,703,616 and total expenses of \$40,123,032 for a budgeted net income of \$834,895. The Capital Budget is estimated at \$201,968.

*DEVCO Budget Estimate
FY 2021/22*

The Board members were informed that the Washington Urgent Care closed as of June 30, 2021. More often now, hospitals are collaborating with organizations that specialize in urgent care and have the infrastructure and technology platforms to better serve evolving community needs. Additionally, Washington Urgent Care has seen a steady decline in patient volume in recent years with COVID-19 further impacting the clinic's numbers, which resulted in reduced operating hours.

The Washington Township Medical Foundation (WTMF) has a centralized number for community members and patients to call for same day urgent appointments. Additionally, specific WTMF clinics will be taking over the following services that were available at urgent care: pre-employment screening, worker's compensation and occupational medicine.

Director Chan moved to accept the Washington Township Hospital Development Corporation (DEVCO) Budget Estimate for fiscal year 2021/22. On a second from Director Garcia, the motion was carried with the following vote:

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah
Noes: None
Abstain: None
Absent: None

The Washington Outpatient Surgery Center is a California limited liability company where the Washington Township Development Corporation (DEVCO) owns a 50.1% interest. The remaining ownership interests are held by the physician owners. There is a six member Board of Directors governing the WOSC. Three members are appointed by DEVCO and three members are appointed by the physician management services organization.

*Appointment of Tina
Nunez to the Washington
Outpatient Surgery
Center, LLC Board of
Directors*

Its current Board of Directors consists of: Kimberly Hartz, Chris Henry, Robert Roth, M.D. as appointed by the DEVCO Board of Directors and Kranthi Achanta, M.D, Steven Andersen, M.D., Annamalai Veerappan, M.D as appointed by the physician management services organization.

*ACTION ITEMS -
(CONT'D)
Appointment of Tina
Nunez to the Washington
Outpatient Surgery
Center, LLC Board of
Directors*

Robert Roth, MD is retiring and therefore it is being recommended for consideration by the Washington Township Hospital Development Corporation Board of Directors to appoint Tina Nunez to the Washington Outpatient Surgery Center as replacement of Robert Roth, M.D.

Director Chan moved to appoint Tina Nunez to the Washington Outpatient Surgery Center as a replacement of Robert Roth, M.D. On a second from Director Garcia, the motion was carried with the following vote:

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah
Noes: None
Abstain: None
Absent: None

As the construction of the Peninsula Surgery Center (PSC) comes to an end and preparations are being made to begin operations, additional funding will be required until the center is fully operational.

*Approval of Unsecured
Revolving Credit Line
Agreement between
DEVCO and Peninsula
Surgery Center, LLC*

Eighty percent of the construction cost was financed through a loan from Fremont Bank. The remainder of the construction cost is required to be funded by PSC.

As the center proceeds with Medicare certification and prepares to open, additional funding is needed to cover the 90-day interim period. Once operations have begun, there is typically an additional 45 to 60 day period before payments are received.

As a result, it is being proposed that DEVCO provide access to working capital in the form of a line of credit of up to \$4 million. The proposed terms are as follows:

- Interest rate of Prime plus 1%
- Floor rate at 4.25%
- Maximum 60 month term
- No annual fee
- Draws available beginning August 1, 2021 as required

To date, DEVCO has provided approximately \$1.7 million in funding that will be rolled into this line of credit.

Director Querner moved to approve the Unsecured Revolving Credit Line Agreement between DEVCO and Peninsula Surgery Center, LLC. On a second from Director Blowers, the motion was carried with the following vote:

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah
Noes: None
Abstain: None
Absent: None

*ACTION ITEMS -
(CONT'D)
Approval of Unsecured
Revolving Credit Line
Agreement between
DEVCO and Peninsula
Surgery Center, LLC*

There being no further business, the meeting adjourned at 1:58 p.m. The next meeting is currently scheduled for August 16, 2021 at 7:30 a.m.

ADJOURNMENT

Benn Sah, M.D.
Chair

Steven Chan, D.D.S.
Secretary

**Washington Township Hospital
Development Corporation
Summary Income Statement
June 2021**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
2,288	2,744	(456)	(16.6%)	26,538	33,058	(6,520)	(19.7%)
297	269	28	10.4%	3,412	3,194	218	6.8%
2,585	3,013	(428)	(14.2%)	29,950	36,252	(6,302)	(17.4%)
4,928,179	4,318,424	609,755	14.1%	46,086,381	49,754,579	(3,668,198)	(7.4%)
2,474,703	865,969	1,608,734	185.8%	13,361,356	10,925,637	2,435,719	22.3%
7,402,882	5,184,393	2,218,489	42.8%	59,447,737	60,680,216	(1,232,479)	(2.0%)
2,571,017	2,211,484	(359,533)	(16.3%)	24,179,735	25,468,002	1,288,267	5.1%
52.2%	51.2%	(1.0%)		52.5%	51.2%	(1.3%)	
4,831,865	2,972,909	1,858,956	62.5%	35,268,002	35,212,214	55,788	0.2%
946,900	826,740	(120,160)	(14.5%)	10,099,426	9,638,815	(460,611)	(4.8%)
339,795	302,613	(37,182)	(12.3%)	3,392,771	3,605,513	212,742	5.9%
516,582	449,914	(66,668)	(14.8%)	4,543,385	5,450,956	907,571	16.6%
375,820	340,873	(34,947)	(10.3%)	3,805,883	3,949,114	143,231	3.6%
246,575	304,089	57,514	18.9%	2,953,357	3,751,923	798,566	21.3%
123,993	116,395	(7,598)	(6.5%)	1,282,308	1,337,580	55,272	4.1%
27,901	29,221	1,320	4.5%	336,456	307,109	(29,347)	(9.6%)
426,825	432,959	6,134	1.4%	6,022,106	5,656,775	(365,331)	(6.5%)
607,231	122,772	(484,459)	(394.6%)	2,110,781	1,558,518	(552,263)	(35.4%)
3,611,622	2,925,576	(686,046)	(23.4%)	34,546,473	35,256,303	709,830	2.0%
1,220,243	47,333	1,172,910	2,478.0%	721,529	(44,089)	765,618	1,736.5%
754,375	112,181	(642,194)	(572.5%)	922,256	1,079,313	157,057	14.6%
465,868	(64,848)	530,716	818.4%	(200,727)	(1,123,402)	922,675	82.1%



GONSALVES & KOZACHENKO
ATTORNEYS AT LAW

Memorandum

August 25, 2021

To: DEVCO Board of Directors
From: Paul Kozachenko, Legal Counsel

RE: *Introduction of Preliminary Draft of Amended and Restated DEVCO Bylaws*

Introduction

For the Board's review, attached to this Memorandum are:

1. The Existing Bylaws for DEVCO;
2. The proposed draft of the Amended and Restated Bylaws; and
3. A table of the key revisions with comments.

Discussion

The Existing Bylaws were adopted more than 37 years ago. Given the passage of time, a review was in order. Upon review, we determined that a complete revision was appropriate.

The Amended and Restated Bylaws were drafted with the following goals in mind:

- A. To better conform the language to current law and DEVCO practices;
- B. To clarify the roles of the Board members and officers and, where possible, ease the administrative burden on the Board and staff; and
- C. To provide clarity and simplicity.

The Amended and Restated Bylaws make three fundamental changes.

The first major change modifies the duties and obligations of the President, Treasurer, Secretary, and Chief Executive Officer (of DEVCO) to parallel the duties and obligations of these offices as stated in the District's recently adopted Amended and Restated Bylaws. The duties and obligations of each position are now clearly stated and on parity with the District's role for its officers.

The second change designates the Chief Executive Officer of the District *ex officio* as the Chief Executive Officer of DEVCO. As a result, the Board no longer needs to appoint the Chief Executive Officer of the District as President and CEO.

The third major change modifies provisions governing the Board's meeting procedures to reflect the need for the Board's meetings to comply with California law, i.e., the Brown Act.

Summary

To assist you as you review the proposed draft of the Amended and Restated Bylaws, we have provided a table with comments alongside the key revisions. At the Board meeting scheduled for September 2, 2021, we will discuss the draft Amended and Restated Bylaws in more detail.

Once we receive your feedback, we will prepare a revised draft for your review and possible adoption at a future meeting.

Amended and Restated Bylaws

Comments

ARTICLE 1

NAME, AUTHORITY, PURPOSE AND PRINCIPAL OFFICE

Section 1. Name

The name of this Corporation shall be the “Washington Township Hospital Development Corporation.”

We are not proposing any material changes to these terms. We have refined the specific wording.

Section 2. Purpose

The purpose of this Corporation shall be: (i) to own real and personal property to be used for training of medical personnel, the development of medical treatment programs, medical research and development, and rendering medical services to the general public; (ii) to support the operations of the Washington Township Health Care District (the “District”), a local Health Care District organized under the laws of the State of California, doing business as Washington Hospital Healthcare System; (iii) to carry out the instructions of the District’s Board of Directors; and (iv) to do any and all other acts that are reasonable and necessary to carry out the purpose of the Corporation under the Nonprofit Public Benefit Corporation Law as stated in Paragraph TWO of the Corporation’s Articles of Incorporation and consistent with the Corporation’s designation as a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Section 3. Principal Office

The principal office for the transaction of the business of the Corporation and for the preservation of Corporation’s records is hereby fixed and located at 2000 Mowry Avenue, Fremont, California.

**ARTICLE 2
MEMBERS**

This Corporation shall have no members.

We are not proposing any material changes to this term. DEVCO has no members. A nonprofit corporation can operate with members, who are analogous to shareholders of a for-profit corporation, or without members, in which case the affairs of the organization are managed by a self-perpetuating Board of Directors.

**ARTICLE 3
BOARD OF DIRECTORS**

Section 1. Powers

The affairs of the Corporation shall be exercised under the direction of its Board of Directors.

We have not proposed material changes to the subject matter contained in Sections 1 to 6 of this Article.

Section 2. Duties

It shall be the duty of the Directors to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws;

Section 7, concerning the holding of the meetings of the Board of Directors, has been modeled after similar provisions in the District's revised Bylaws. The revised language reflects

(b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the Corporation;

the fact that the DEVCO Board holds its meetings subject to the Brown Act.

(c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;

We have revised Sections 9 through 10 to indicate that the District's Board of Directors controls the appointment and removal of DEVCO's Board of Directors.

(d) Meet at such times and places as required by these Bylaws; and

(e) Register their addresses with the Secretary of the Corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

Section 3. Number

The Corporation shall have five (5) Directors.

Section 4. Appointment

Directors shall be appointed by the Board of Directors of the District at a regular meeting in January of each year.

Section 5. Tenure

Each Director is hereby designated to serve as Director for one (1) year or until a successor is appointed and duly qualified, but subject to such person's earlier death, resignation, removal or disqualification. There shall be no limit on the number of terms in which any individual may serve as a Director of the Corporation.

Section 6. Qualifications

Any person may serve as a Director of this Corporation provided that he or she resides within the territorial boundaries of the District.

Section 7. Meetings

(a) All of the meetings of the Board of Directors shall be conducted in accordance with the requirements of established California law. The regular meetings of the Board of Directors of the Corporation shall be held quarterly. Regular meetings shall be held at Washington Hospital, Fremont, California (including the main hospital building, Washington West or any ancillary building owned or occupied by Washington Hospital.)

(b) Special meetings of the Board of Directors may be held, provided that such meetings comply with the requirements of established California law.

(c) All meetings of the Board, whether regular, special or adjourned, shall be open to the public except that meetings of the Board may be closed to the public by the Board if allowed by California law. The meetings shall be noticed and held in accordance with the provisions of the Ralph M. Brown Act, California Government Code § 54950 *et seq.* Such meetings may also be held by conference via telephone or the internet if permitted by applicable law.

(d) Three (3) members shall constitute a quorum.

(e) The agenda for Board meetings shall be developed by the Chief Executive Officer. From time to time, the Chief Executive Officer may consult with the President regarding the agenda.

(f) The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by

these Bylaws (including, without limitation, the provisions contained in Sections 5212, 5233, and 5238(e) of the Corporations Code).

(g) Directors shall not receive any compensation from the Corporation for their services. By resolution of the Board, however, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board and other Corporation functions. Nothing herein contained shall be construed to preclude any Director from representing the Corporation in any other capacity and receiving compensation therefor to the extent allowed by law, upon disclosure of any actual or perceived conflict of interest and subsequent approval of the Board.

Section 8. Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 9. Vacancies

Vacancies on the Board of Directors shall be filled by appointment by the District Board of Directors.

Section 10. Removal

Any Director may be removed with or without cause by action of the District Board of Directors.

ARTICLE 4
OFFICERS

Section 1. Officers

(a) The officers of this Corporation shall be President, First Vice President, Second Vice President, Secretary, and Treasurer who shall be chosen from the Board of Directors of the Corporation.

(b) There shall be a regular election of officers annually. Each officer so elected shall serve for a term of one year, provided that any officer may resign at any time or be removed by the vote of three Directors with the consent of the Chief Executive Officer at any regular or special meeting of the Board of Directors. In the event of a resignation or removal of an officer, the Board of Directors shall elect a successor to serve for the balance of that officer's unexpired term.

(c) The Board of Directors may also establish additional Vice Presidents, Assistant Secretaries and Assistant Treasurers if it desires, and prescribe their duties, qualifications and terms of service provided such terms may not extend past the next regular election of officers.

Section 2. President

Annually, the Board of Directors shall elect one of its Board members to act as President, as set forth in Section 1 of this Article, and if at any time the President shall be unable to act, the Vice Presidents, in the order set forth in Section 3 of this Article, shall take the President's place and perform the President's duties; and if the Vice Presidents shall also be unable to act, the Board of Directors may appoint someone else to do so, in whom shall be vested, for the time being, all the functions and duties of the office of the President. The President, or officer acting as such, shall:

(a) Preside over all the meetings of the Board of Directors.

We have proposed to revise the provisions in the Bylaws to follow similar provisions in the District's Bylaws. Like the District, DEVCO will have a President, First Vice President, Second Vice President, Secretary, and Treasurer, with duties that mirror the holders of those offices for the District.

The President will preside over DEVCO's meetings. The primary responsibilities of the Secretary and Treasurer will be to ensure that the Chief Executive Officer ensures that the duties of Secretary and Treasurer will be handled by staff and reported to the Board.

(b) Sign and execute jointly with the Secretary, in the name of the Corporation, all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors; and shall be empowered jointly with the Treasurer to sign checks on the funds of the Corporation. The Board of Directors may, however, by resolution, designate any other person or persons who shall have authority to sign checks drawn on the funds of the Corporation, and to execute in the name of the Corporation all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors.

(c) Subject to the advice and control of the Board of Directors, be responsible for the affairs of the Corporation and all other duties which shall be required by these Bylaws.

Section 3. Vice Presidents

In the absence or inability of the President to serve, the First Vice President, or in his/her absence, the Second Vice President, shall perform the duties of the President. The Vice Presidents shall have such titles, perform such other duties, and have such other powers as the Board of Directors shall designate from time to time.

Section 4. Secretary

The Secretary shall (i) ensure that the Chief Executive Officer has assigned staff to keep the minutes of all meetings of the Board of Directors, send or cause to be sent appropriate notices and agendas for all meetings of the Board of Directors, and act as custodian of all records and reports; (ii) attest in writing to the minutes of all Board of Directors meetings and resolution of the Board of Directors; (iii) act as custodian of all records and reports and of the corporate seal, if any, assuring that it is affixed when required by law, to documents executed on behalf of the Corporation, and (iv) exercise such other powers and perform such other duties as may be prescribed by the Board of Directors or as required by California law.

Section 5. Treasurer

The Treasurer shall (i) ensure that the Chief Executive Officer has assigned staff to keep correct and accurate accounts of the property and financial records and transactions of the Corporation, and (ii) in general, supervise or perform all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors or as required by California law.

ARTICLE 5
CHIEF EXECUTIVE OFFICER

Section 1. Selection and Authority

The Chief Executive Officer of the District shall serve ex officio as the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be responsible for overseeing and directing the day-to-day management and operation of the Corporation. To this end, the Chief Executive Officer shall be given the necessary authority and be held responsible for the administration of the Corporation 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 of Directors or by any of its committees to which it has delegated power for such action. All Corporation employees and managers shall be accountable to the Chief Executive Officer. He or she shall act as the “duly authorized representative” of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person for that specific purpose.

Section 2. Duties

The duties of the Chief Executive Officer shall include:

We have proposed to revise the provisions in the Bylaws to follow similar provisions in the District’s Bylaws.

The positions of President and Chief Executive Officer have been separated, similar to the way in which the District is structured. The President is a Board member who is primarily responsible for chairing the Board meetings. The Chief Executive Officer of DEVCO will have the same duties and responsibilities that she has as

DEVCO Amended and Restated Bylaws Tracking Chart
Updated August 23, 2021

- | | |
|---|---|
| (a) Overseeing and directing the day-to-day management and operation of the Corporation. | the Chief Executive Officer of the District. |
| (b) Submitting to the Board of Directors for approval a plan or organization of the personnel and others involved with the operation of the Corporation and establishing methods of procedure concerning the internal operation of the Corporation. | The Chief Executive Officer of the District is the <i>ex officio</i> Chief Executive Officer of DEVCO. This reflects the fact that this has been, is, and always, will be the case and avoids the need for the DEVCO Board to make an annual appointment. |
| (c) Preparing an annual budget showing the expected receipts and expenditures, as required by the Board of Directors. | |
| (d) Selecting, employing, controlling, and all employees serving in positions, as authorized by the Board of Directors. | |
| (e) Ensuring that all physical properties are kept in good state of repair and operating condition. | |
| (f) Supervising all business affairs, such as the records of financial transactions, collection of accounts, and purchase and issuance of supplies, and ensuring that all funds are collected and expended to the best possible advantage. | |
| (g) Submitting to the Board of Directors or its authorized committees, periodic reports showing the professional service and financial activities of the Corporation and to prepare and submit such special reports as may be required by the Board of Directors and/or its functioning committees. | |
| (h) Attending all meetings of the Board of Directors and its committees consistent with the duties of the Chief Executive Officer. | |
| (i) Performing any other duty that may be necessary in the best interest of the Corporation. | |

DEVCO Amended and Restated Bylaws Tracking Chart
Updated August 23, 2021

(j) Serving as the liaison officer and channel of communication for all official communications between the Board of Directors and the District Board of Directors.

(k) Providing overall administrative direction to the Corporation's adjunct organizations.

ARTICLE 6
BOOKS AND RECORDS

(a) The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Board of Directors.

We have proposed no material changes to the subject matter of this Article.

(b) The Board of Directors shall receive a copy (in electronic or written format) of the audited financial reports of the District, which reports reflect the Corporation's finances.

We have clarified that the DEVCO Board of Directors will receive the audited financial reports of the District, which will contain the information required by statute to be provided to the DEVCO Board.

ARTICLE 7
FISCAL YEAR

The Corporation's fiscal year shall be the same fiscal year as adopted by the District.

We have proposed no material changes.

ARTICLE 8
INDEMNIFICATION

Section 1. Right to Indemnity

To the fullest extent permitted by law, the Corporation shall indemnify each of its present or former Directors and Officers against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceedings or any

We have proposed no material changes to the subject of the subject matter contained in this Article. However, the language has been updated based on

threatened proceedings (hereinafter “proceeding” includes any threatened proceeding) arising by reason of the fact that any such person is or was a Director or Officer of this Corporation; provided that the Board of Directors determines that such person was acting in good faith and in a manner she or he believed to be in the best interest of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. Payments authorized hereunder include amounts paid and expenses incurred in settling any such proceeding. The foregoing does not apply to any proceeding specifically excluded by law, which includes actions brought by or in the right of the Corporation and certain actions alleging self-dealing or breach of any duty relating to assets held in charitable trust.

language in a form for modern nonprofit corporation bylaws.

Section 2. Insurance

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer’s, Director’s, employee’s, or agent’s status as such.

ARTICLE 9
AMENDMENTS

Any provisions of the Corporation's Bylaws may be amended by a vote of a majority of the entire Board of Directors and must be approved by the District Board of Directors. Any amendment shall be effective once approved by the Board of Directors of the District.

This provision is new. However, it describes the current practice.

ARTICLE 10
ADOPTION OF AMENDED AND RESTATED BYLAWS

These Amended and Restated Bylaws of the Washington Township Hospital Development Corporation were duly adopted at the meeting of the Board of Directors of the Washington Township Hospital Development Corporation held on _____. These Amended and Restated Bylaws of the Washington Township Hospital Development Corporation were duly adopted at the meeting of the District Board of Directors held on _____.

This language is new but based on the existing language. However, it describes the current practice.

**AMENDED AND RESTATED BYLAWS
OF THE WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT
CORPORATION**

ADOPTED _____

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**ARTICLE 1
NAME, AUTHORITY, PURPOSE AND PRINCIPAL OFFICE**

Section 1. Name

The name of this Corporation shall be the “Washington Township Hospital Development Corporation.”

Section 2. Purpose

The purpose of this Corporation shall be: (i) to own real and personal property to be used for training of medical personnel, the development of medical treatment programs, medical research and development, and rendering medical services to the general public; (ii) to support the operations of the Washington Township Health Care District (the “District”), a local Health Care District organized under the laws of the State of California, doing business as Washington Hospital Healthcare System; (iii) to carry out the instructions of the District’s Board of Directors; and (iv) to do any and all other acts that are reasonable and necessary to carry out the purpose of the Corporation under the Nonprofit Public Benefit Corporation Law as stated in Paragraph TWO of the Corporation’s Articles of Incorporation and consistent with the Corporation’s designation as a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Section 3. Principal Office

The principal office for the transaction of the business of the Corporation and for the preservation of Corporation’s records is hereby fixed and located at 2000 Mowry Avenue, Fremont, California.

**ARTICLE 2
MEMBERS**

This Corporation shall have no members.

**ARTICLE 3
BOARD OF DIRECTORS**

Section 1. Powers

The affairs of the Corporation shall be exercised under the direction of its Board of Directors.

Section 2. Duties

It shall be the duty of the Directors to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws;

(b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the Corporation;

(c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;

(d) Meet at such times and places as required by these Bylaws; and

(e) Register their addresses with the Secretary of the Corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

Section 3. Number

The Corporation shall have five (5) Directors.

Section 4. Appointment

Directors shall be appointed by the Board of Directors of the District at a regular meeting in January of each year.

Section 5. Tenure

Each Director is hereby designated to serve as Director for one (1) year or until a successor is appointed and duly qualified, but subject to such person's earlier death, resignation, removal or disqualification. There shall be no limit on the number of terms in which any individual may serve as a Director of the Corporation.

Section 6. Qualifications

Any person may serve as a Director of this Corporation provided that he or she resides within the territorial boundaries of the District.

Section 7. Meetings

(a) All of the meetings of the Board of Directors shall be conducted in accordance with the requirements of established California law. The regular meetings of the Board of Directors of the Corporation shall be held quarterly. Regular meetings shall be held at Washington Hospital, Fremont, California (including the main hospital building, Washington West or any ancillary building owned or occupied by Washington Hospital.)

(b) Special meetings of the Board of Directors may be held, provided that such meetings comply with the requirements of established California law.

(c) All meetings of the Board, whether regular, special or adjourned, shall be open to the public except that meetings of the Board may be closed to the public by the Board if allowed by California law. The meetings shall be noticed and held in accordance with the provisions of the Ralph M. Brown Act, California Government Code § 54950 *et seq.* Such meetings may also be held by conference via telephone or the internet if permitted by applicable law.

(d) Three (3) members shall constitute a quorum.

(e) The agenda for Board meetings shall be developed by the Chief Executive Officer. From time to time, the Chief Executive Officer may consult with the President regarding the agenda.

(f) The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws (including, without limitation, the provisions contained in Sections 5212, 5233, and 5238(e) of the Corporations Code).

(g) Directors shall not receive any compensation from the Corporation for their services. By resolution of the Board, however, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board and other Corporation functions. Nothing herein contained shall be construed to preclude any Director from representing the Corporation in any other capacity and receiving compensation therefor to the extent allowed by law, upon disclosure of any actual or perceived conflict of interest and subsequent approval of the Board.

Section 8. Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 9. Vacancies

Vacancies on the Board of Directors shall be filled by appointment by the District Board of Directors.

Section 10. Removal

Any Director may be removed with or without cause by action of the District Board of Directors.

**ARTICLE 4
OFFICERS**

Section 1. Officers

(a) The officers of this Corporation shall be President, First Vice President, Second Vice President, Secretary, and Treasurer who shall be chosen from the Board of Directors of the Corporation.

(b) There shall be a regular election of officers annually. Each officer so elected shall serve for a term of one year, provided that any officer may resign at any time or be removed by the vote of three Directors with the consent of the Chief Executive Officer at any regular or special meeting of the Board of Directors. In the event of a resignation or removal of an officer, the Board of Directors shall elect a successor to serve for the balance of that officer's unexpired term.

(c) The Board of Directors may also establish additional Vice Presidents, Assistant Secretaries and Assistant Treasurers if it desires, and prescribe their duties, qualifications and terms of service provided such terms may not extend past the next regular election of officers.

Section 2. President

Annually, the Board of Directors shall elect one of its Board members to act as President, as set forth in Section 1 of this Article, and if at any time the President shall be unable to act, the Vice Presidents, in the order set forth in Section 3 of this Article, shall take the President's place and perform the President's duties; and if the Vice Presidents shall also be unable to act, the Board of Directors may appoint someone else to do so, in whom shall be vested, for the time being, all the functions and duties of the office of the President. The President, or officer acting as such, shall:

(a) Preside over all the meetings of the Board of Directors.

(b) Sign and execute jointly with the Secretary, in the name of the Corporation, all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors; and shall be empowered jointly with the Treasurer to sign checks on the funds of the Corporation. The Board of Directors may, however, by resolution, designate any other person or persons who shall have authority to sign checks drawn on the funds of the Corporation, and to execute in the name of the Corporation all contracts and conveyances and all other instruments in writing which have been authorized by the Board of Directors.

(c) Subject to the advice and control of the Board of Directors, be responsible for the affairs of the Corporation and all other duties which shall be required by these Bylaws.

Section 3. Vice Presidents

In the absence or inability of the President to serve, the First Vice President, or in his/her absence, the Second Vice President, shall perform the duties of the President. The Vice Presidents shall have such titles, perform such other duties, and have such other powers as the Board of Directors shall designate from time to time.

Section 4. Secretary

The Secretary shall (i) ensure that the Chief Executive Officer has assigned staff to keep the minutes of all meetings of the Board of Directors, send or cause to be sent appropriate notices and agendas for all meetings of the Board of Directors, and act as custodian of all records and reports; (ii) attest in writing to the minutes of all Board of Directors meetings and resolution of the Board of Directors; (iii) act as custodian of all records and reports and of the corporate seal, if any, assuring that it is affixed when required by law, to documents executed on behalf of the Corporation, and (iv) exercise such other powers and perform such other duties as may be prescribed by the Board of Directors or as required by California law.

Section 5. Treasurer

The Treasurer shall (i) ensure that the Chief Executive Officer has assigned staff to keep correct and accurate accounts of the property and financial records and transactions of the Corporation, and (ii) in general, supervise or perform all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors or as required by California law.

**ARTICLE 5
CHIEF EXECUTIVE OFFICER**

Section 1. Selection and Authority

The Chief Executive Officer of the District shall serve ex officio as the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be responsible for overseeing and directing the day-to-day management and operation of the Corporation. To this end, the Chief Executive Officer shall be given the necessary authority and be held responsible for the administration of the Corporation 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 of Directors or by any of its committees to which it has delegated power for such action. All Corporation employees and managers shall be accountable to the Chief Executive Officer. He or she shall act as the “duly authorized representative” of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person for that specific purpose.

Section 2. Duties

The duties of the Chief Executive Officer shall include:

(a) Overseeing and directing the day-to-day management and operation of the Corporation.

(b) Submitting to the Board of Directors for approval a plan or organization of the personnel and others involved with the operation of the Corporation and establishing methods of procedure concerning the internal operation of the Corporation.

(c) Preparing an annual budget showing the expected receipts and expenditures, as required by the Board of Directors.

(d) Selecting, employing, controlling, and all employees serving in positions, as authorized by the Board of Directors.

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

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

(g) Submitting to the Board of Directors or its authorized committees, periodic reports showing the professional service and financial activities of the Corporation and to prepare and submit such special reports as may be required by the Board of Directors and/or its functioning committees.

(h) Attending all meetings of the Board of Directors and its committees consistent with the duties of the Chief Executive Officer.

(i) Performing any other duty that may be necessary in the best interest of the Corporation.

(j) Serving as the liaison officer and channel of communication for all official communications between the Board of Directors and the District Board of Directors.

(k) Providing overall administrative direction to the Corporation's adjunct organizations.

**ARTICLE 6
BOOKS AND RECORDS**

(a) The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the, Board of Directors.

(b) The Board of Directors shall receive a copy (in electronic or written format) of the audited financial reports of the District which reports reflect the Corporation's finances.

**ARTICLE 7
FISCAL YEAR**

The Corporation's fiscal year shall be the same fiscal year as adopted by the District.

**ARTICLE 8
INDEMNIFICATION**

Section 1. Right to Indemnity

To the fullest extent permitted by law, the Corporation shall indemnify each of its present or former Directors and Officers against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceedings or any threatened proceedings (hereinafter "proceeding" includes any threatened proceeding) arising by reason of the fact that any such person is or was a Director or Officer of this Corporation; provided that the Board of Directors determines that such person was acting in good faith and in a manner she or he believed to be in the best interest of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. Payments authorized hereunder include amounts paid and expenses incurred in settling any such proceeding. The foregoing does not apply to any proceeding specifically excluded by law, which includes actions brought by or in the right of the Corporation and certain actions alleging self-dealing or breach of any duty relating to assets held in charitable trust.

Section 2. Insurance

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's, Director's, employee's, or agent's status as such.

**ARTICLE 9
AMENDMENTS**

Any provisions of the Corporation's Bylaws may be amended by a vote of a majority of the entire Board of Directors and must be approved by the District Board of Directors. Any amendment shall be effective once approved by the Board of Directors of the District.

ARTICLE 10
ADOPTION OF AMENDED AND RESTATED BYLAWS

These Amended and Restated Bylaws of the Washington Township Hospital Development Corporation were duly adopted at the meeting of the Board of Directors of the Washington Township Hospital Development Corporation held on _____. These Amended and Restated Bylaws of the Washington Township Hospital Development Corporation were duly adopted at the meeting of the District Board of Directors held on _____.

President

Washington Township Hospital Development Corporation

Secretary

Washington Township Hospital Development Corporation