

1930714

State
of
California
SECRETARY OF STATE

CORPORATION DIVISION

I, *BILL JONES*, Secretary of State of the State of California,
hereby certify:

That the annexed transcript has been compared with
the corporate record on file in this office, of which it
purports to be a copy, and that same is full, true and
correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

MAR 25 1911



Bill Jones

Secretary of State

ARTICLES OF INCORPORATION
OF
EAST VALLEY HUNTINGTON HOSPITAL

ENDORSED
FILED
2010
Department of Secretary of State
of the State of Idaho

MAR 22 1995

BILL JONES, Secretary of State

ARTICLE I

NAME

The name of this corporation is EAST VALLEY HUNTINGTON HOSPITAL.

ARTICLE II

PURPOSES

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific purposes of this corporation are charitable in nature and are to own, operate and maintain one or more hospitals for the care and treatment of persons requiring medical and surgical care, and to provide related facilities and services necessary or convenient therefor.

ARTICLE III

POWERS

A. This corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986.

B. This corporation shall have all the powers of a natural person, subject only to limitations imposed by these Articles, the Bylaws of this corporation and applicable laws. Notwithstanding any such powers, or any other provision of these Articles, this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as that section now exists or may subsequently be amended (or the corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as that section now exists or may subsequently be amended (or the corresponding provision of any future United States Internal Revenue Law).

C. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986), and the corporation shall not participate in, or intervene in, any political campaign (including the publication or distribution or statements) on behalf of any candidate for public office.

ARTICLE IV

PRINCIPAL OFFICE

The principal office for the transaction of the business of this corporation is located in the County of Los Angeles, State of California.

ARTICLE V

DIRECTORS

The powers of this corporation shall be exercised, its properties controlled, and its affairs conducted by a Board of Directors. The number of Directors of this corporation shall be fixed from time to time by the Bylaws of this corporation.

ARTICLE VI

DISSOLUTION

All the property and assets of this corporation are irrevocably dedicated to charitable and educational purposes meeting the requirements for exemption provided by Section 501(c)(3) of the Internal Revenue Code of 1986, and Section 214 of the California Revenue and Taxation Code, as such sections now exist or may subsequently be amended. No part of said property or assets shall ever inure to the benefit of any director or officer or to the benefit of any private individual. Upon the dissolution, winding up or abandonment of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities shall be distributed for use in the furtherance of the purposes of the corporation as set forth in Article II of these Articles of Incorporation, to any other nonprofit organization(s) selected by this corporation's directors which is engaged in activities substantially similar to those of this corporation and which is then so qualified under said Section 501(c)(3) of the Internal Revenue Code of 1986 and Section 214 of the California Revenue and Taxation Code (or the corresponding provisions of any future United

States Internal Revenue Law or California Revenue and Taxation Law, respectively).

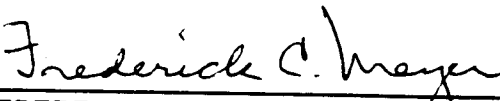
ARTICLE VII

INITIAL AGENT FOR PROCESS

The name and business address in this State of the corporation's initial agent for service of process is:


Frederick C. Meyer
1300 East Green Street
Pasadena, California 91106

IN WITNESS WHEREOF, for the purposes of forming this nonprofit public benefit corporation under the laws of the State of California, each of the undersigned has executed these Articles of Incorporation this 20th day of March, 1995.



FREDERICK C. MEYER, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



FREDERICK C. MEYER

State of California



SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAY 7 - 1997



Bill Jones

Secretary of State

ENDORSED-FILED
In the office of the Secretary of State
of the State of California

MAY - 7 1997

BILL JONES, Secretary of State

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
EAST VALLEY HUNTINGTON HOSPITAL

The undersigned certify that:

1. They are the president and the secretary, respectively, of East Valley Huntington Hospital, a California corporation.

2. Article I of the Articles of Incorporation of this corporation is amended to read as follows:

"ARTICLE I
NAME

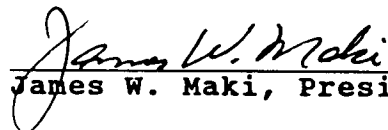
The name of this corporation is Huntington East Valley Hospital."


3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the sole member.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: March 28, 1997


James W. Maki, President


Rose Liegler, Secretary

BYLAWS
OF
HUNTINGTON EAST VALLEY HOSPITAL
(a California nonprofit public benefit corporation)

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BYLAWS
OF
HUNTINGTON EAST VALLEY HOSPITAL
(a California nonprofit public benefit corporation)

ARTICLE I
ORGANIZATION

Section 1. **Name.**

The name of this corporation is Huntington East Valley Hospital ("Hospital").

Section 2. **Purposes.**

The specific purposes of this corporation are charitable in nature and are to own, operate and maintain one or more hospitals for the care and treatment of persons requiring medical and surgical care, to provide related facilities and services necessary or convenient therefor, and to undertake such other outreach and community service activities which it determines are necessary or advisable to maintain and improve the health status of the communities and populations it serves.

Section 3. **Organization.**

No dividends shall be declared or paid to any private individual or person, nor shall any private individual or person upon the dissolution of the corporation for any reason be entitled to receive a distributive or other share of the assets then owned or held by the corporation, it being expressly understood that this corporation is not formed for profit and is a corporation which does not contemplate pecuniary gain, profit or dividends for any private individual or person, and is a corporation organized and operated exclusively as a nonprofit public benefit corporation, no part of the net earnings of which shall inure to the benefit of any private individual or person. Upon dissolution of this corporation, all of the business, properties and assets shall go and be set over to and used for the objects and purposes set forth in Article II of the Articles of Incorporation of this corporation.

Section 4. **Principal Office.**

The principal executive office of the corporation is hereby fixed and located at 1300 East Green Street, Pasadena, California 91106. The Board of Directors is hereby granted full power and authority to change said principal executive office from one location to another in the County of Los Angeles. Any such change shall be noted by the Secretary opposite this Section, but shall not be considered an amendment of these Bylaws. Other

business offices may at any time be established by the Board of Directors at any place or places where the corporation is qualified to do business.

Section 5. Seal.

The corporation may have a corporate seal, and the same shall have inscribed thereon the name of the corporation, the date of its incorporation and the word "California".

ARTICLE II
MEMBERSHIP

Section 1. One Member.

The sole member of this corporation shall be Southern California Healthcare Systems, a California nonprofit public benefit corporation (the "Member"). No membership certificate shall be issued. No membership fees or dues shall be assessed. The Member shall not be liable for the debts, liabilities or obligations of the corporation.

Section 2. Transferability of Membership.

Membership in this corporation is transferable and assignable.

Section 3. Actions of Member.

Any action permitted to be taken by the Member by these Bylaws or by law may be taken by the Member through action of its Board of Directors.

Section 4. Exercise of Membership Rights.

The Member shall exercise its membership rights through its Board of Directors. The Board of Directors of the Member may, by resolution, authorize one (1) or more of its officers to exercise its vote on any matter to come before the membership of this corporation.

Section 5. Annual Meeting.

The annual meeting of the Member shall be held in March in each year as specified in the notice thereof for the purpose of receiving the annual report and transacting such other business as may come before the meeting.

Section 6. Reserved Powers to the Member.

Notwithstanding anything in these Bylaws to the contrary, neither the Board of Directors of this corporation nor any officer or employee thereof may take any of the following actions without the written approval first had and obtained of the Member:

- (a) Merger, consolidation or dissolution of the corporation;
- (b) Amendment or restatement of the Articles of Incorporation or the Bylaws of the corporation;
- (c) Adoption of operating and capital budgets;
- (d) Aggregate borrowing for periods of less than one (1) year in an amount in excess of a dollar amount to be established by the Member from time to time, and aggregate borrowing for periods of more than one (1) year for any purpose in an amount in excess of a dollar amount to be established by the Member from time to time. For the purpose of this subparagraph, the term aggregate borrowing includes but is not limited to lease agreements and contracts of sale or purchase;
- (e) Purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge, or encumbrance of any asset, real or personal, of this corporation with a value in excess of a dollar amount to be established by the Member from time to time, not previously included in the approved capital budget;
- (f) Appointment of the independent auditor and corporate counsel;
- (g) Approval of any transaction of this corporation in which a Director or officer of this corporation has a material financial interest;
- (h) Election or removal of members of the Board of Directors;
- (i) Hiring or removal of the President and Chief Executive Officer of this Corporation;
- (j) Establishment of long range goals, plans and strategies for this corporation and its Affiliates; or
- (k) Allocation of financial resources of this corporation and/or its Affiliates, including establishing investment guidelines and cash management programs.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Powers and Duties.

(a) General Powers and Duties.

Subject to the limitations of the Articles of Incorporation, the Bylaws and the laws of the State of California, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, the Board of Directors.

(b) Specific Powers and Duties.

Without prejudice to its general powers and subject to the same limitations specified above in Section 1(a), the Board of Directors shall:

(1) Prepare operating and capital budgets within the guidelines established by the Member, and submit the budgets to the Member for approval;

(2) Adopt and implement policies and procedures to carry out the long range goals, strategies, corporate policies, and performance criteria established for the corporation by the Member;

(3) Guide the management of the corporation;

(4) Submit annual reports on the corporation's activities to the Member of the corporation and such other periodic reports as requested by the Member; and

(5) Take appropriate action with respect to the Medical Staff, including appointment, reappointment, credentialing, review of quality of service and care, and other appropriate matters.

Section 2. Composition of Board of Directors and Number of Directors.

(a) The authorized number of Directors of the corporation shall be not less than seven (7) nor more than thirteen (13) until changed by amendment to the Articles of Incorporation or by amendment of this Section 2 of Article III. The exact number of authorized Directors within said range shall be set by the Board of Directors. The authorized Directors shall include the following ex-officio members:

(1) The Chief of the Medical Staff of Hospital, who shall have the right to vote; and

(2) The President and Chief Executive Officer of Hospital, who shall have the right to vote.

Section 3. Qualification of Directors.

Except as otherwise provided herein, at the time of election and during the entire term of office, a Director must satisfy all of the following qualifications and requirements:

(a) Be twenty-one (21) years of age or older and a person of responsibility, integrity and high standing in the community in which he or she resides.

(b) All Directors shall be residents of the Southern California area served by the corporation. The corporation shall attempt to achieve a broad geographic base of representation from the areas or communities served by the corporation.

(c) No Director shall at any time while serving as a Director be an adverse party in action or proceeding by or against the corporation or any of its affiliates. Should any Director, including without limitation an ex-officio Director, bring a legal action against the corporation or any of its affiliates, then until that action, including all appeals thereof, is finally resolved, such Director shall be suspended from further participation on the Board and shall neither (i) attend any meeting of the Board or any committee of the Board, nor (ii) receive any minutes or reports of Board or Board committee meetings or activities. If such Director serves ex-officio, then the organization or body in which he or she holds office shall designate another individual who meets all applicable qualifications contained in these Bylaws to serve in that Director's place during the pendency of that Director's suspension. Upon the cessation of the event giving rise to a Director's suspension, that Director shall automatically be entitled to resume participation on the Board, including without limitation the rights to attend Board and Board committee meetings and to receive minutes and reports of Board and Board committee meetings and activities.

(d) All Directors must comply with the conflict of interest policy adopted by the corporation throughout his or her term of office as Director.

Failure of a Director to continuously meet the foregoing qualifications and requirements during his or her entire term of office shall immediately and automatically result in the office being declared vacant by the Board of Directors.

Section 4. Election of Directors.

(a) Before December 1st of each year, the Chairman of the Board of the Member shall appoint not less than three (3) persons as a Nominating Committee. The Nominating Committee shall be advisory. Within sixty (60) days after such appointment, the Nominating Committee shall submit to the Board of Directors of the Member a slate of the appropriate number of persons for election to the Board of Directors of this corporation. Such slate shall

meet the requirements of Section 3 of this Article III regarding qualifications of Directors and Section 8 of this Article III regarding restrictions on interested Directors.

(b) The Board of Directors of the Member may accept the individuals recommended by the Nominating Committee as the nominees for election to the Board of Directors of this corporation or reject such individuals and direct the Nominating Committee to submit to the Board of Directors of the Member the names of additional individuals to be nominees for election to the Board of Directors of this corporation. No member of the current Nominating Committee may be a candidate for election to the Board of Directors of this corporation, except for *ex-officio* Directors and the President and Chief Executive Officer of the Member. The Board of Directors of the Member shall not be bound to accept the recommendations of the Nominating Committee and may nominate its own slate of candidates.

(c) The candidates for the Board of Directors of this corporation shall be voted on by the Board of Directors of the Member at its February meeting, and such persons shall take office on March 1 of that year.

Section 5. Term of Office.

(a) The First Directors shall be appointed by the Board of Directors of the Member to serve until their successors are elected.

(b) At the Member's meeting to elect Directors of this corporation in 1995 and at each February Board of Directors meeting of the Member thereafter, the Member shall elect or re-elect the new Directors of this corporation.

(c) The term of office of Elected Directors shall commence on the first day of the next calendar month following election by the Member or other date specified by the Member or, with respect to a vacancy, upon the date specified by the Member and shall be for a term of three (3) years or until their successors are elected. The First Directors shall be appointed for staggered terms as that approximately one-third (1/3) of the Total Directors shall be elected each year.

(d) The terms of office of *ex-officio* Directors shall coincide with their respective terms in such offices; and upon their resignation or removal from such offices for any reason whatsoever, their terms of office as Directors of this corporation shall cease and terminate, and their successors in such offices shall be *ex-officio* Directors of the corporation in their place and stead.

Section 6. Removal from Office; Resignation.

(a) Any Elected Director may be removed from office by the Member. In addition, any Elected Director may be removed from office at the discretion of the Board of

Directors, which Director has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by final order or judgment of any court to have breached any duty arising under Section 5238 of the California Nonprofit Public Benefit Corporation Law, has failed to attend three (3) consecutive meetings of the Board or who fails to meet the qualifications of Directors set forth in Section 3 of this Article III, including compliance with the Conflict of Interest Policy.

(b) Any Elected Director may resign effective upon giving written notice to the Chairman of the Board or the Secretary, unless such notice specifies a later time for the effectiveness of such resignation.

Section 7. Vacancies.

A vacancy in the Board of Directors shall be deemed to exist in the case of the death, resignation or removal of any Elected Director, if a Director has been declared of unsound mind by order of court or convicted of a felony, or if the authorized number of Directors be increased. Candidates to fill vacancies shall be selected by the Board of Directors and submitted to the Member for its prior written approval.

Section 8. Restriction on Interested Directors.

Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as a Director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 9. Orientation.

Upon election, each new member of the Board of Directors will be given the following materials to assist in orientation to his duties as a member; a copy of the Bylaws, a copy of the Medical Staff Bylaws, a copy of the corporation's Table of Organization, and such other materials as will acquaint the new member with the history of the Hospital, its role in the community and its accreditation status. An opportunity for a tour of the Hospital and a review of the previous year's minutes of the meetings of the Board of Directors will also be afforded new members.

Section 10. Education.

In order to keep current with health care industry developments, all members of the Board of Directors will be provided with subscriptions to relevant publications and will be afforded the opportunity to attend seminars and conferences sponsored by local and national hospital associations and educational institutions. Documentation of attendance at such seminars and conferences shall be maintained in the Hospital's administrative offices.

ARTICLE IV
MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Place of Meeting.

The Annual Meeting and regular meetings of the Board of Directors shall be held at any place designated from time to time by resolution of the Board of Directors or by written consent of all members of the Board of Directors. In the absence of such designation, the Annual Meeting and regular meetings shall be held at the principal executive office of the corporation. Special meetings of the Board of Directors may be held either at a place so designated or at the principal executive office of the corporation.

Section 2. Annual Meeting.

The Annual Meeting of the Board of Directors shall be held in the month of March on such date and at such time as shall be designated by action of the Board of Directors following the Annual Meeting of the Member. Notice of all such Annual Meetings of the Board of Directors is hereby dispensed with.

Section 3. Regular Meetings.

The Board of Directors shall meet, without call, at such times as shall from time to time be fixed by the Board of Directors; provided, however, should the date designated fall upon a legal or religious holiday observed by the corporation, then said meeting shall be held on the next day thereafter ensuing which is a full business day. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

Section 4. Special Meetings.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board, the President, or by any three (3) Directors. Special meetings of the Board of Directors shall be held upon four (4) calendar days' notice given by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, facsimile or other similar means of communication. Any such notice shall be addressed or delivered to each Director at such Director's address as is shown upon the records of the corporation or as may have been given to the corporation by the Director for purposes of notice, or if such address is not shown on such records or is not readily

ascertainable, at the place in which the meetings of the Directors are regularly held. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone, to the recipient or to a person at the office of the recipient who the person giving notice has reason to believe will promptly communicate it to the recipient. A notice or waiver of notice need not specify the purpose of any special meeting of the Board of Directors.

Section 5. Action Without Meeting.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all voting members of the Board of Directors shall individually or collectively consent in writing to such action, provided, however that the consent of any Director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested Director" as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such consent or consents shall be filed with the minutes of the proceedings of the Board of Directors and shall have the same force and effect as a unanimous vote of such Directors.

Section 6. Action at a Meeting; Quorum and Required Vote.

Presence of a majority of the authorized number of Directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as hereinafter provided. Members of the Board of Directors may participate in a meeting through use of a conference telephone or similar communications equipment so long as all members participating in such meeting can hear one another. Participation in a meeting as permitted in the preceding sentence constitutes presence in person at such meeting. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by law, by the Articles of Incorporation, or by these Bylaws, including but not limited to those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, provided that any action taken is approved by at least a majority of the required quorum for such meeting.

Section 7. Validity of a Defectively Called or Noticed Meeting.

The transactions of any meeting of the Board of Directors, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if

a quorum is present and if, either before or after the meeting, each of the Directors not present, or who, though present, has prior to the meeting or at its commencement protested the lack of proper notice to him or her, signs a written waiver of notice or consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. Adjournment.

A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of adjournment. Otherwise, notice of the time and place of holding of adjourned meetings need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

Section 9. Fees and Compensation.

Directors shall not receive any stated salary or fee for their services as Directors; provided, however, that Directors may be reimbursed for any expenses actually incurred in connection with the performance of their duties as Directors. Nothing contained in this Section shall be construed to preclude any Director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor.

Section 10. Self-Evaluation.

The Board of Directors shall evaluate its performance and assess the contributions of the corporation's leadership toward improving its organizational performance annually at a regular or Annual Meeting.

ARTICLE V
OFFICERS

Section 1. Officers.

The officers of the corporation shall be a Chairman of the Board, a Vice Chairman, a Secretary, a Treasurer, a Chief Financial Officer, and a President. The corporation may also have, at the discretion of the Board of Directors, one or more Assistant Secretaries or Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article V. One person may hold two (2) or more offices,

except that neither the Secretary nor Treasurer may serve concurrently as the President or Chairman of the Board.

Section 2. Election.

Except for the President and the Chief Financial Officer, who shall be hired by the corporation and approved by the Member, the officers of the corporation, other than those appointed in accordance with the provisions of Section 3 of this Article, shall be elected annually by the Board of Directors and each officer so elected shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or until a successor shall be elected and qualified. No such elected officers may hold office for more than two (2) consecutive one (1) year terms without at least a one (1) year break in such service. At any regular or special meeting of the Board of Directors, the Board of Directors may fill a vacancy in any office caused by the death, resignation, removal, or disqualification of any officer, other than the President, or by any other cause. The officers of the corporation shall assume office on the first day following their election. An officer elected to fill a vacancy shall assume office immediately and shall serve for the unexpired term of the officer being replaced in accordance with the Bylaws.

Section 3. Subordinate Officers.

The Board of Directors may elect or authorize the appointment of such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

Section 4. Removal and Resignation.

Except for the President, who shall be reviewed and removed by the Member, and the Chief Financial Officer, who shall be reviewed and removed by the President of the Member, in consultation with the Board of Directors, any officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting thereof. The removal of any officer shall be subject, in each case, to the rights, if any, of such officer under any contract of employment. Any officer may resign at any time by giving written notice to the Chairman of the Board, or to the Secretary of the corporation, without prejudice, provided, however, to the rights, if any, of the corporation under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Chairman of the Board.

The Chairman of the Board shall, if present, preside at all meetings of the Board of Directors, be an ex-officio member of all of the standing committees of the corporation, and

exercise and perform such other powers and duties as may be from time to time assigned by the Board of Directors or prescribed by these Bylaws. The Chairman of the Board shall appoint members to committees created in accordance with these Bylaws.

Section 6. Vice Chairman.

In the absence or disability of the Chairman of the Board, the Vice Chairman shall perform all of the duties of the Chairman of the Board, and when so acting shall have all the powers of, and be subject to all of the restrictions upon, the Chairman of the Board.

Section 7. President.

The President of this corporation shall be that person who is hired by the corporation and approved by the Board of Directors of the Member to serve as President. The President shall be qualified by education and experience to serve as the Chief Executive Officer of the corporation and Hospital in accordance with the qualifications required by the job description for the Chief Executive Officer adopted by the Board of Directors and shall perform the following duties:

- (a) carry out all policies established by the Board and advise the Board on the development of such policies;
- (b) develop and submit to the Board plans for operation of the facility, monitor such plans, and implement changes;
- (c) develop and submit to the Board an annual operating and capital budget as required by the Member;
- (d) make all required reports to federal, state and local agencies and maintain the corporation in compliance with all applicable laws and regulations;
- (e) hire, discharge, and control key management staff and employees, including but not limited to the Chief Nursing Officer of Hospital, and maintain personnel policies;
- (f) supervise business affairs to ensure that funds are expended and collected to the best advantage;
- (g) work with other health care providers to provide high quality care to patients of the Hospital;
- (h) present periodic and special reports to the Board concerning operation of the facility;

- (i) attend all meetings of the Board, committees of the Board, and the Medical Staff Executive Committee;
 - (j) serve as a liaison between the Board, Medical Staff and administration;
 - (k) prepare a plan of achievement and periodically review that plan;
 - (l) represent the facility in relationships with health agencies;
 - (m) name representatives to Medical Staff committees;
 - (n) allow temporary privileges to Medical Staff members;
 - (o) grant locum tenens to physicians on the Medical Staff;
 - (p) keep abreast of developments in the hospital field and attend relevant seminars;
- and
- (q) make regular reports to the Chief Executive Officer of the Member.

Section 8. Secretary.

The Secretary shall keep, or cause to be kept, at the principal executive office, or such other place as the Board of Directors may order, the original or a copy of the corporation's Articles of Incorporation and Bylaws, as amended to date. The Secretary shall also record or cause to be recorded and shall keep or cause to be kept a Book of Minutes of actions taken at all meetings of the Board of Directors, and of the committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, and the names of those present at such meetings. The Secretary shall also keep a full and complete record of all reported actions taken by the Member of the corporation in its capacity as such. Such minutes shall be in written form. Such other books and records shall be kept either in written form or in any other form capable of being converted into written form. The books, records and minutes of the proceedings of the Member while acting as member of this corporation, the Board of Directors, and committees of the Board of Directors shall be open to inspection by the Member and by every Director as provided for in the California Nonprofit Corporation Law. The Secretary shall give, or cause to be given, notice of all the meetings of the Board of Directors required by the Bylaws or by law to be given and shall have such other powers to perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

Section 9. Treasurer.

The Treasurer shall be the Chairman of the Finance Committee and perform such duties and tasks and have such powers and authority as from time to time are assigned by the Board of Directors.

Section 10. Chief Financial Officer.

The Chief Financial Officer shall, subject to the supervision and direction of the President, keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall at all times be open to inspection by any Director and by the Member. The Chief Financial Officer shall cause to be deposited all moneys and other valuables in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse the funds of the corporation as shall be ordered by the Board of Directors, shall render to the Chairman of the Board and the Board of Directors, whenever they shall request it, an accounting of all transactions as Chief Financial Officer and of the financial condition of the corporation, shall recommend the appointment of the corporation's independent auditor for approval by the Member, shall submit an annual financial report and audit to the Board of Directors and the Member as required by Article XI, Section 4, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 11. Assistant Secretaries and Assistant Treasurers.

The Assistant Secretaries and the Assistant Treasurers, in the order of their seniority as specified by the Board of Directors shall, in the absence or disability of the Secretary or Treasurer, respectively, perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such other duties as the Board of Directors shall prescribe.

Section 12. Compensation of Officers.

With the exception of the President, the officers named in Section 1 of this Article V of these Bylaws who are also Directors shall serve without compensation.

ARTICLE VI
COMMITTEES

Section 1. Committees.

Except as limited by Section 8 of this Article, the Board of Directors may create standing or special committees for any purpose, each consisting of two (2) or more Directors, and delegate to such committees any of the powers and authorities of the Board of Directors. Such committees shall have the power to act only in intervals between meetings

of the Board of Directors and shall at all times be subject to the control of the Board of Directors. The Chairman and members of each standing and special committee shall be selected by the Chairman of the Board, with the approval of the Board of Directors, and may be removed by majority vote of the Directors then in office. Medical Staff members and nursing staff members shall be included on committees which deliberate issues affecting the discharge of Medical Staff or nursing staff responsibilities.

Section 2. Standing Committees.

Standing committees shall consist of an Executive Committee, Finance Committee, Performance Improvement Committee, Community Relations & Development Committee, and such other standing committees as the Board of Directors may authorize.

(a) Executive Committee. The Executive Committee shall be composed of: the Chairman of the Board, the Vice Chairman, the President, the Treasurer, and the Secretary. By law, all Executive Committee members must be Directors. The Executive Committee shall have power to transact all regular business of the corporation during the interim between the meetings of the Board of Directors provided any action shall not conflict with the policies and expressed wishes of the Board of Directors, and that the Executive Committee shall refer all matters of major importance to the Board of Directors. The Chief of Staff may attend those meetings where clinical privileges or quality of care matters are discussed.

(b) Finance Committee. The Finance Committee shall consist of the Treasurer, who shall be the Chairman of the committee, and two (2) or more Directors. Its primary duty shall be to determine the financial feasibility of corporate projects, new operating programs, acts and undertakings referred to it by the Board of Directors. In addition, it shall develop and review the annual budgets (both capital and operating) of the corporation, review monthly performance, review and analyze the annual audit by the corporation's independent auditor, review and evaluate the corporation's financial and operating performance, consult with the officers of the corporation on current fiscal affairs and perform such other duties as may be assigned to it by the Board of Directors. The President and Chief Financial Officer shall serve as ex officio members.

(c) Performance Improvement ("PI") Committee. The PI Committee shall consist of voting and non-voting members. The voting members shall be at least three (3) Directors, including the Chief of Staff of the Medical Staff, and/or Chief-elect of the Medical Staff, and such other voting members as may be appointed by the Board. The non-voting members shall be at least three (3), including the President of the Member, or his or her delegate, the Vice-President of Patient Care Services, and the Director of Performance Improvement. The committee shall monitor the process of performance improvement and review performance improvement activities conducted by the Medical Staff and Administration in order to be certain that the Hospital's PI Program is ongoing, comprehensive, effective in improving patient care and clinical performance, and cost effective. The committee shall also be

concerned about any other matters that relate to the quality of patient care provided at the Hospital. In addition, the committee shall review and assess the Hospital's written PI plan annually and make recommendations for its improvement to the Board and to other entities or persons.

(d) Community Relations & Development Committee. The Community Relations & Development Committee shall promote and enhance the hospital's public image in the community, assess the community's healthcare needs, and develop plans to address how those needs can be met within the healthcare delivery system. This committee shall consist of voting and non-voting members. The voting members shall be at least three (3) Directors, and such other voting members as may be appointed by the Board, including appropriate multidisciplinary representation from the Medical Staff, nursing staff and Hospital administration. The non-voting members shall at least include the Director of Marketing and Community Outreach.

Section 3. Joint Conference Committee.

As and when needed, a Joint Conference Committee may be appointed by the Board of Directors consisting of at least six (6) members, of which equal numbers shall be representatives of the Active Medical Staff and of the Board of Directors, appointed by the Chief of the Medical Staff and the Chairman of the Board, respectively. A representative of the Board shall be designated by the Chairman of the Board of Directors to serve as co-Chairman with a representative of the Medical Staff.

Such Committee's responsibilities would include considering issues affecting medical care arising in the operation and affairs of the Hospital and within the Medical Staff, including reviewing specific questions relating to Medical Staff membership, Department affiliation, and privileges for specific practitioners, when there is a dispute between the Medical Executive Committee and the Board of Directors.

Section 4. Term of Office.

The Chairman and each member of each standing committee shall serve until the next annual election of members of the Board of Directors and until his or her successor is appointed or until such committee is sooner terminated, or until such person is removed, resigns, or otherwise ceases to qualify as a Chairman or member, as the case may be, of the committee. Chairmen and members of special committees shall serve for the life of the committee unless they are sooner removed, resign, or cease to qualify as a Chairman or member, as the case may be, of such committee.

Section 5. Vacancies.

Vacancies on any committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

Section 6. Meetings; Quorum.

Each committee shall meet as often as necessary to perform its duties, at such times and places as directed by its Chairman or by the Board of Directors. A majority of the members of a committee shall constitute a quorum of such committee and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep accurate minutes of its meetings, the Chairman designating a Secretary of the committee for this purpose, and shall make periodic reports and recommendations to the Board of Directors.

Section 7. Expenditures.

Any expenditure of corporation funds by a committee shall require prior approval of the Board of Directors.

Section 8. Limitation on Delegation.

In accordance with the California Nonprofit Corporation Law, the Board of Directors may not delegate to any committee the following powers:

- (a) The approval of any action which also requires approval by the Member.
- (b) The filling of vacancies on the Board of Directors or in any committee which has the authority of the Board of Directors.
- (c) The fixing of compensation of the Directors for serving on the Board of Directors or on any committee.
- (d) The amendment or repeal of the Bylaws or the adoption of new Bylaws.
- (e) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable.
- (f) The appointment of committees of the Board of Directors or the members thereof.
- (g) The expenditure of corporate funds to support a nominee or applicant for Director.

- (h) The approval of any self-dealing transaction except as provided by law.

ARTICLE VII
MEDICAL STAFF

Section 1. Organization, Appointments and Hearings.

(a) The Board of Directors shall cause to be created a medical staff organization, to be known as the Medical Staff of Huntington East Valley Hospital (the "Medical Staff"), whose membership shall be comprised of all physicians, dentists, podiatrists, and psychologists who are privileged to attend patients in the Hospital. Medical Staff membership shall be a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws.

(b) Only members of the Medical Staff with admitting privileges may admit patients to the Hospital, and said individuals may practice only within the scope of privileges granted by the Board of Directors. Said practitioners shall be directly responsible for each patient's diagnoses and treatment within the scope of their privileges.

(c) The Medical Staff is accountable to the Board of Directors for the quality of care provided in the Hospital and shall implement and report to the Board on its activities and mechanisms for monitoring and evaluating the quality and efficiency of patient care in the Hospital, for identifying and resolving problems, and for identifying opportunities to improve patient care quality and efficiency.

Section 2. Continuing Education for Physicians.

(a) There shall be a program of continuing medical education designed to assist the Medical Staff to be informed of significant new developments and new skills in medicine.

(b) Medical Staff education should include Hospital-based activities as well as educational opportunities available outside of the Hospital. Hospital-based programs should be planned and scheduled in advance, and should be on a continuing basis. Documentation of these activities should be kept in order to evaluate the scope, effectiveness, attendance, and amount of time spent at such efforts.

(c) The result of medical care evaluation studies should be utilized as an important contribution to the continuing medical education program of the Medical Staff.

Section 3. Medical Staff Bylaws.

(a) The Medical Staff shall propose and adopt by majority vote Bylaws and Rules and Regulations for its internal governance which shall be effective only when approved by the Board of Directors, which approval shall not be unreasonably withheld. The Medical Staff Bylaws shall create an effective administration unit to discharge the functions and responsibilities assigned to the Medical Staff by the Board of Directors. The Medical Staff Bylaws and Rules and Regulations shall state the purposes, functions and organization of the Medical Staff, shall provide for the election of the Chairmen of Medical Staff Departments by members of the Medical Staff, and shall set forth the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities.

(b) The Medical Staff shall have the initial responsibility to formulate, adopt and recommend to the Board of Directors Medical Staff Bylaws and amendments thereto which shall be effective when approved the Board of Directors. Proposed Medical Staff Bylaws changes will be presented to a meeting of the Board of Directors and mailed to each Board member at least seven (7) days prior to the meeting at which a vote is to be taken on adoption of the proposed change. No Medical Staff Bylaw or amendment shall become effective without approval by the Board as hereinabove provided. If the Medical Staff fails to exercise this responsibility in good faith and in a reasonable, timely and responsible manner, and after written notice from the Board to such effect, including a reasonable period of time for a response, the Board may formulate or amend the Medical Staff Bylaws. In such event, Medical Staff recommendations and views shall be carefully considered by the Board of Directors during its deliberations and in its actions.

(c) The Board of Directors will act upon any proposed amendments to the Medical Staff Bylaws within one hundred twenty (120) days and report such action to the Medical Staff. If the Board of Directors disapproves the proposed amendment, the Board of Directors shall immediately request a meeting of the Joint Conference Committee. The Joint Conference Committee shall report its recommendation regarding the proposed amendment to the Board of Directors within thirty (30) days of the request to the Joint Conference Committee. The Board of Directors shall reach a final decision with regard to the proposed amendment within thirty (30) days following the receipt of the report of the Joint Conference Committee.

Section 4. Medical Staff Membership and Clinical Privileges.

(a) Delegation to the Medical Staff. The Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership status, clinical privileges and corrective action, and shall require that the Medical Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board to take informed action.

(b) Action by the Board of Directors. Final action on all matters relating to Medical Staff membership status, clinical privileges and corrective action shall be taken by the Board after considering the Medical Staff recommendations, provided that the Board shall direct the Medical Staff to initiate an investigation or a disciplinary action whenever the Medical Staff's failure to act is contrary to the weight of the evidence. Such direction by the Board shall be given only after consultation with the Medical Staff Executive Committee. In the event the Medical Staff fails to act in response to the Board's directive, the Board may take action against a Medical Staff member as the Board deems appropriate after giving written notice to the Medical Staff. Any such action by the Board must comply with the Hearing and Appeal Procedure set forth in the Medical Staff Bylaws, and shall be based on the same kind of documented investigation and evaluation of current ability, judgment and character as is required for Medical Staff recommendations. In the event the Board does not concur in a Medical Staff recommendation relative to Medical Staff membership, clinical privileges or corrective action, it shall refer the matter to an ad hoc committee consisting of three (3) members of the Medical Staff, one of whom shall be the Chief of Staff (unless a conflict of interest precludes his or her participation), and three (3) nonphysician members of the Board of Directors, one of whom shall be the Chairman of the Board, for review and recommendation before a final decision is made by the Board.

(c) Criteria for Board Action. When acting on matters of Medical Staff membership status or clinical privileges, the Board shall consider the Medical Staff's recommendations, the Hospital's and the community's needs, and such additional criteria as set forth in the Medical Staff Bylaws. In granting and defining the scope of clinical privileges to be exercised by each practitioner, the Board shall consider the Medical Staff's recommendations, the supporting information on which they are based, and such criteria as are set forth in the Medical Staff Bylaws. In all peer review matters, the Board shall give great weight to the recommendations of the Medical Staff, and in no event shall act in an arbitrary or capricious manner. No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, age, race, creed, color or national origin, or on the basis of any other criterion unrelated to good patient care at the Hospital, to professional qualifications, to the Hospital's purposes, needs and capabilities, or to community needs.

(d) Terms and Conditions of Staff Membership and Clinical Privileges. The terms and conditions of membership status in the Medical Staff and of the exercise of clinical privileges shall be as specified in the Medical Staff Bylaws and Rules and Regulations, or as more specifically defined in the notice of individual appointment. Members of the Medical Staff and Allied Health Professionals shall be entitled to exercise only those privileges specifically granted by the Board of Directors. Said privileges must be within the scope of any license, certificate or other legal credential authorizing the practitioner to practice in this State and consistent with any restrictions thereon.

(e) Procedure. The procedure to be followed by the Medical Staff and the Board of Directors in acting on matters of membership status, clinical privileges and corrective action shall be as specified in the Medical Staff Bylaws.

Section 5. Hearing and Appeal Procedures.

The Board of Directors shall require that any adverse recommendation made by the Executive Committee of the Medical Staff or any adverse action taken by the Board with respect to a practitioner's Medical Staff appointment, reappointment, department affiliation, membership category, admitting prerogatives or clinical privileges shall, except under circumstances for which specific provision is made in the Medical Staff Bylaws and/or by contract, be accomplished in accordance with the Board approved Hearing and Appeal Procedures then in effect and shall provide for procedures to assure fair treatment and afford an opportunity for the presentation of all pertinent information. For the purposes of this Section, an "adverse recommendation" of the Medical Staff Executive Committee shall be as defined in the Hearing and Appeal Procedures set forth in the Medical Staff Bylaws, and an "adverse action" of the Board shall be as defined by law.

Section 6. Medico-Administrative Officers.

(a) Definition. Medico-Administrative Officer means a practitioner, engaged by or otherwise contracting with the Hospital on a full or part-time basis, whose duties include certain responsibilities which may be both administrative and clinical in nature. Clinical responsibilities are defined as those involving professional capability as a practitioner, such as to require the exercise of clinical judgment with respect to patient care and include the supervision of professional activities of practitioners under his or her direction.

(b) Clinical Privileges and Medical Staff Membership. A practitioner engaged by the Hospital in a purely administrative capacity with no clinical duties or privileges is subject to the regular personnel policies of the Hospital and to the terms of his or her contract, or other conditions of engagement, and need not be a member of the Medical Staff. Conversely, a Medico-Administrative Officer must be a member of the Medical Staff. His or her clinical privileges must be delineated in accordance with the Medical Staff Bylaws. His or her Medical Staff membership and clinical privileges shall not be dependent on his or her continued occupation of that position, unless otherwise provided in an employment agreement, contract or other arrangement, except if an action is taken or recommended affecting the practitioner's Medical Staff membership or clinical privileges for a medical disciplinary cause or reason as defined by applicable law, the Medical Staff Bylaws shall control with respect to that action or recommendation.

Section 7. Allied Health Professionals.

(a) The Board of Directors shall secure recommendations from the Medical Staff as to the categories of Allied Health Professionals ("AHPs") which should be eligible to

apply for practice privileges and the terms and conditions of such privileges. The Board of Directors shall periodically review and identify the categories of AHPs, based on occupation, profession, or hospital need, which shall be eligible to apply for practice privileges in the Hospital. The Medical Staff shall establish a process, subject to the approval of the Board of Directors, for review and evaluation of the patient care services of AHPs and shall report to the Board of Directors on the performance of AHPs, by category, annually.

(b) AHPs shall not be eligible for Medical Staff membership but may be eligible to apply for practice privileges at the Hospital. The Board of Directors shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate each application by an AHP for practice privileges, department affiliation, and modification of practice privileges that AHPs may perform, and the Medical Staff shall make recommendations on same to the Board. AHPs may be granted practice privileges consistent with: their education, training and experience; applicable law, including their scope of licensure or certification; and such requirements as may be set forth in the Medical Staff Bylaws and Rules and Regulations.

ARTICLE VIII QUALITY OF PROFESSIONAL SERVICES

Section 1. Board of Director's Responsibility.

The Board of Directors shall require: (a) that the Medical and Administrative Staffs prepare and maintain adequate and accurate medical records for all patients; (b) that there is one level of patient care in the hospital, so that all patients with the same health problems receive the same level of care and that no patient is discriminated against on the basis of race, creed, color, age, religion, sex or ability to pay; and (c) the person responsible for each basic and supplemental medical service cause written policies and procedures for the operation of such medical service to be developed and maintained and that such policies be reviewed and approved by the Board. All written policies and procedures shall be reviewed not less than every three (3) years, and more often as required by licensing or accrediting agencies. The Board shall further require, after considering the recommendations of the Medical Staff, the conduct of specific review and evaluation activities to assess, preserve and improve the overall quality and efficiency of patient care in the Hospital and the maintenance of high standards of professional ethical practice. The Board also shall require, upon consultation with the Medical Staff, that all physicians periodically demonstrate their abilities to perform surgical and other procedures competently and to the satisfaction of an appropriate committee of the Medical Staff. The Board shall require the Hospital administration to conduct review and evaluation activities to assess, preserve and improve the competence of all providers of health care services at Hospital who are not subject to the patient care review and evaluation activities of the Medical Staff and to report to the Board of Directors on the results of such review and evaluation activities. The Board shall provide whatever administrative assistance is reasonably necessary to support and facilitate the implementation and the ongoing operation of these review and evaluation activities.

Section 2. Accountability to Board of Directors.

The Medical Staff shall conduct and be accountable to the Board of Directors for implementing and reporting to the Board on its activities and mechanisms for monitoring and evaluating the quality and efficiency of patient care in the Hospital, for identifying and resolving problems, and for identifying opportunities to improve patient care quality and efficiency. These activities shall include:

- (a) The conduct of periodic meetings at regular intervals to review and evaluate the quality of patient care through a valid and reliable patient care audit procedure;
- (b) Ongoing monitoring of patient care practices through the defined functions of the Medical Staff, the other professional services and the Hospital administration;
- (c) Definition of the clinical privileges which may be appropriately granted within the Hospital and within each department, delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment, and assignment of patient care responsibilities to other health care professionals consistent with individual licensure, qualifications and demonstrated ability;
- (d) Provision of continuing professional education shaped primarily by the needs identified through the review and evaluation activities;
- (e) Review of utilization of the Hospital's medical resources to provide for their allocation to meet the needs of the patients; and
- (f) Such other measures as the Board of Directors may, after considering the advice of the Medical Staff and other professional services and the Hospital administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

Section 3. Documentation.

The Board of Directors shall require, receive, consider, and act upon the findings and recommendations emanating from the activities required by Section 2 of this Article. All such findings and recommendations shall be in writing, signed by the person responsible for conducting the review activities and supported and accompanied by appropriate documentation upon which the Board can take informed action.

ARTICLE IX
INDEMNIFICATION OF AGENTS OF THE CORPORATION
PURCHASE OF LIABILITY INSURANCE

Section 1. Indemnity of Agents.

The corporation may, to the maximum extent permitted by the California Nonprofit Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amount actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Article IX, an "agent" of the corporation includes any person who is or was a director, officer, employee, or other agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation partnership, joint venture, trust or other enterprise; or was a director, officer, employee or agent of the predecessor corporation, of the corporation, or of another enterprise at the request of such predecessor corporation.

Section 2. Advance of Expenses.

The corporation may, to the extent permitted by law, advance expenses incurred or to be incurred by an agent in connection with any proceeding arising by reason of the fact that such person was or is an agent of the corporation, provided such advance is authorized by the Board of Directors and permitted by law.

Section 3. Insurance.

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability which may be asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this Article.

Section 4. Other Fiduciary Positions.

This Article does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 1 of this Article. The corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subsection (f) of Section 5140 of the California Nonprofit Corporation Law.

ARTICLE X
AUXILIARY ORGANIZATIONS

From time to time the corporation may establish auxiliary and/or associated organizations to assist in the fulfillment of the purposes of the corporation. Each such organization shall establish its own Bylaws or Rules and Regulations which shall be presented to and approved by the Boards of Directors of this corporation and of the Member. All amendments to such Bylaws or Rules and Regulations shall also be subject to the approval of said Boards of Directors. These Bylaws and the Articles of Incorporation of this corporation shall prevail and govern over the documents and actions of such adjunct organizations. To the extent required by the Board of Directors or President, auxiliary and associated organizations shall be carried under a fidelity bond if they handle any funds.

ARTICLE XI
MISCELLANEOUS

Section 1. Voting Shares.

The corporation may vote any and all shares held by it in any other corporation by such officer, agent or proxy as the Board of Directors may appoint, or in default of any such appointment, by its Chairman of the Board or by its Vice Chairman and, in such case, such officers, or any of them, may likewise appoint a proxy to vote said shares.

Section 2. Checks and Drafts.

All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the corporation, and any and all securities owned or held by the corporation requiring signature for the transfer, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by a resolution of the Board of Directors.

Section 3. Execution of Contracts.

The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances and unless so authorized by the Board of Directors, 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 for any purpose or in any amount.

Section 4. Annual Report.

The Chief Financial Officer of the corporation shall provide to the Board of Directors and to the Member, within one hundred twenty (120) days after the close of its fiscal year, a financial report containing but not limited to the following information in reasonable detail:

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

Any financial statements presented as part of the above described report shall be prepared in accordance with generally accepted accounting principles.

Section 5. Conflict of Interest.

The Board of Directors shall adopt and enforce a policy on conflicts of interest and self-dealing that requires a disclosure by all Directors and officers of the corporation and of the Member and other persons in a position to influence corporation decisions of actual and potential conflicts of interest and that will assure that no person holding such a position will be permitted to vote on any issue, motion or resolution that directly or indirectly inures to his or her benefit financially or with respect to which he or she shall have any other conflict of interest, except that such individual may be counted in order to qualify a quorum, and, except as the Board may otherwise direct, may participate in a discussion of such an issue, motion or resolution if he or she first discloses the nature of his or her own interest.

Section 6. Appropriation of Business Opportunity and Confidential Information.

- (a) No Director or officer of the corporation may appropriate or divert to others any opportunity for profit in connection with a transaction in which it is known or could be anticipated that the corporation is or would be interested. Such opportunities include but are not limited to, acquisition of real or personal property, appointment of suppliers, or design or development of new products, services or areas of business related to the corporation's present or planned services or service areas.

(b) Each Director or officer of the corporation with access to confidential information regarding the corporation or the corporation's business is excepted to hold such information in confidence and to refrain from either using such information for personal gain or disclosing it unnecessarily outside the scope of the Director's or officer's duty with respect to the corporation.

ARTICLE XII
FISCAL YEAR

The fiscal or business year of the corporation shall be the calendar year.

ARTICLE XIII
AMENDMENTS

Section 1. Amendment by Member.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the Member or by the Board of Directors with the approval of the Member.

Section 2. Record of Amendments.

Any amendment or alteration in these Bylaws shall be forthwith filed with the original Bylaws of the corporation.

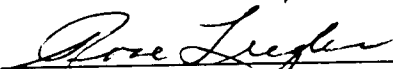
Section 3. Review.

These Bylaws shall be reviewed by the Board of Directors not less than every three (3) years and more often as necessary to ensure their continuing completeness and applicability. A written record of each periodic review will be maintained and attached to these Bylaws.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Huntington East Valley Hospital, a California nonprofit public benefit corporation, and that the foregoing Bylaws, comprising 27 pages, constitutes the Bylaws of said corporation as duly adopted at a meeting of the Board of Directors held on September 23, 1998, and approved by the corporation's Member on October 30, 1998.

IN WITNESS OF, I have hereunto subscribed my name this 23rd day of September, 1998.



Rose Liegler, Secretary