

AMENDED AND RESTATED BYLAWS
OF
MENDOCINO COAST HEALTHCARE FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
Article I	PRINCIPAL OFFICE 1
Article II	MEMBERSHIP..... 1
Article III	BOARD OF DIRECTORS 1
	Section 1. Powers..... 1
	Section 2. Number of Directors 1
	Section 3. Limitations on Interested Persons 1
	Section 4. Election and Term of Office of Directors 1
	Section 5. Vacancies 2
	Section 6. Resignation and Removal 2
	Section 7. Regular Meetings 2
	Section 8. Special Meetings 2
	Section 9. Notice 2
	Section 10. Waiver of Notice 2
	Section 11. Quorum 2
	Section 12. Action Without a Meeting 3
	Section 13. Telephone and Electronic Meetings..... 3
	Section 14. Standard of Care 3
	A. General 3
	B. Investments 4
	Section 15. Inspection 5
	Section 16. Director Compensation 5
	Section 17. Executive Compensation Review 5
Article IV	BOARD COMMITTEES AND ADVISORY COMMITTEES 5
	Section 1. Board Committees 5
	Section 2. Executive Committee..... 6
	Section 3. Advisory Committees 6
	Section 4. Committee Supervision and Reliance 6
	Section 5. Audit Committee..... 6
	Section 6. Governance Committee..... 7
	Section 7. Finance Committee..... 7
	Section 8. Development Committee..... 7
	Section 9. Meetings..... 7
	A. Of Board Committees 7
	B. Of Advisory Committees 8
	Section 10. Honorary Trustees..... 8
Article V	OFFICERS 8
	Section 1. Officers 8
	Section 2. Election 8
	Section 3. Removal 8
	Section 4. Resignation 8
	Section 5. Vacancies 8

TABLE OF CONTENTS

	<u>Page</u>
Section 6. President.....	8
Section 7. Vice President	9
Section 8. Secretary	9
Section 9. Treasurer	9
Article VI EXECUTIVE DIRECTOR	9
Article VII CERTAIN TRANSACTIONS.....	9
Section 1. Loans.....	9
Section 2. Self-Dealing Transactions.....	9
Section 3. Approval	10
Article VIII INDEMNIFICATION AND INSURANCE	10
Section 1. Right of Indemnity	10
Section 2. Approval of Indemnity.....	10
Section 3. Advancing Expenses.....	10
Section 4. Insurance	11
Article IX GRANTS ADMINISTRATION	11
Section 1. Purpose of Grants.....	11
Section 2. Board of Directors Oversight.....	11
Section 3. Refusal; Withdrawal	11
Section 4. Accounting.....	11
Section 5. Restrictions on Contributions	11
Section 6. Restricted Fund	12
Article X MISCELLANEOUS	12
Section 1. Fiscal Year	12
Section 2. Contracts, Notes, and Checks	12
Section 3. Annual Reports to Directors	12
Section 4. Required Financial Audits	13
Section 5. Electronic Transmissions	13
Section 6. Amendments	13
Section 7. Governing Law	14

**AMENDED AND RESTATED BYLAWS
of
MENDOCINO COAST HEALTHCARE FOUNDATION**

**ARTICLE I
PRINCIPAL OFFICE**

The principal office of this corporation shall be located in the county of Mendocino, California.

**ARTICLE II
MEMBERSHIP**

This corporation shall have no voting members, but the Board of Directors may, by resolution, establish one or more classes of nonvoting members and provide for eligibility requirements for membership and rights and duties of members, including the obligation to pay dues.

**ARTICLE III
BOARD OF DIRECTORS**

Section 1. Powers. This corporation shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the Board of Directors of this corporation directly or, if delegated, under the ultimate direction of the Board.

Section 2. Number of Directors. The number of directors shall be not less than seven nor more than eleven, with the exact authorized number of directors to be fixed from time to time by resolution of the Board of Directors.

Section 3. Limitations on Interested Persons. At all times, not more than 49% of the directors of this corporation may be interested persons. An interested person means either:

(a) any person currently being compensated by this corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

(b) 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.

Section 4. Election and Term of Office of Directors. The directors then in office shall elect their successors at the last regular meeting of the year or as soon as practical thereafter, with approximately one-third of the total authorized number of directors elected each year. Each director shall be elected for a term of three years and in no event shall be elected to

serve more than three full consecutive terms. However, prior directors may return to serve on the Board of Directors if they have been off the Board of Directors for at least one year and may serve terms as if elected for the first time. Each director shall hold office until a successor has been elected.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies may be filled by the remaining directors for the unexpired portion of the term.

Section 6. Resignation and Removal. Resignations shall be effective upon receipt in writing by the President, the Secretary, or the Board of Directors of this corporation, unless a later effective date is specified in the resignation. A majority of the directors then in office may remove any director at any time, with or without cause. Any director who misses three consecutive meetings of the Board without good cause shall be considered eligible for removal for cause.

Section 7. Regular Meetings. Regular meetings of the Board shall be (i) held at such times and at such places as fixed by the Board, or (ii) called by the President or any two directors and noticed in accordance with Section 9.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President or any two directors and noticed in accordance with Section 9.

Section 9. Notice. Notice of any special meeting and any regular meeting not fixed by the Board of Directors shall state the date, place, and time of the meeting and shall be given to each director at least four days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as e-mail, in compliance with Article X, Section 5 of these Bylaws.

Section 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present provides a waiver of notice, a consent to holding the meeting, or an approval of the minutes in writing. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 11. Quorum. A majority of the total number of directors then in office shall constitute a quorum, provided that in no event shall the required quorum be less than one-fifth of the authorized number of directors or two directors, whichever is larger. 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 of Directors, except as otherwise provided in Article III, Section 5 (filling board vacancies), Section 6 (removing directors) and Section 12 (taking action without a meeting); Article IV, Section 1 (appointing Board Committees); Article V, Section 3 (removing officers);

Article VII, Section 3 (approving self-dealing transactions); Article VIII, Section 2 (approving indemnification); and Article X, Section 6 (amending Bylaws), of these Bylaws or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as the unanimous vote of such directors.

Section 13. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with Article X, Section 5, of these Bylaws so long as all of the following apply:

(a) each director participating in the meeting can communicate with all of the other directors concurrently, and

(b) each director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by this corporation.

Section 14. Standard of Care.

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

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of this corporation whom the director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(iii) a committee upon which the director does not serve that is composed exclusively of any combination of directors or persons described in (i) or (ii), as to matters within the committee's designated authority, provided that the director believes such committee merits confidence;

so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

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

B. Investments. Except with respect to assets held for use or used directly in carrying out this corporation's public or charitable activities, in managing and investing this corporation's investments, the Board shall adhere to the standards set forth in Paragraph A, above, and shall: (a) consider the charitable purposes of this corporation; (b) act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) consider:

- (1) General economic conditions;
- (2) The possible effect of inflation or deflation;
- (3) The expected tax consequences, if any, of investment decisions or strategies;
- (4) The role that each investment or course of action plays within the overall portfolio;
- (5) The expected total return from income and appreciation of investments;
- (6) This corporation's other resources;
- (7) The needs of this corporation to make distributions and to preserve capital;
- (8) An asset's special relationship or special value, if any, to the charitable purposes of this corporation.

Board decisions about an individual investment shall be made not in isolation but rather in the context of this corporation's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to this corporation.

Notwithstanding the above, no investment violates this Section where it conforms to: (a) the intent of the donor as expressed in a gift instrument; (b) provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to this corporation; or (c) existing policies of the Board of Directors.

Section 15. Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this corporation.

Section 16. Director Compensation. The Board may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his or her duties as a director, such as for attending meetings of the Board and Board Committees.

Section 17. Executive Compensation Review. The Board of Directors (or a Board Committee) shall review any compensation packages (including all benefits) of the Executive Director and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when the Executive Director is hired, when the term of employment of the Executive Director is renewed or extended, and when the compensation of the Executive Director is modified, unless the modification applies to substantially all of the employees of this corporation.

ARTICLE IV BOARD COMMITTEES AND ADVISORY COMMITTEES

Section 1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the directors then in office, create any number of Board Committees, each consisting of two or more directors, and only of directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

- (a) set the number of directors within a range specified in these Bylaws;
- (b) elect directors or remove directors without cause;
- (c) fill vacancies on the Board of Directors or on any Board Committee;
- (d) fix compensation of directors for serving on the Board or any Board Committee;
- (e) amend or repeal these Bylaws or adopt new Bylaws;
- (f) adopt amendments to the Articles of Incorporation of this corporation;
- (g) amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- (h) create any other Board Committees or appoint the members of any Board Committees; or
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this corporation.

Section 2. Executive Committee. The Executive Committee, which shall be a Board Committee, shall consist of the President, the Vice President, the Secretary, the Treasurer, and the immediate Past President, of this corporation, provided that each such officer is a director of this corporation, and any additional directors as selected by a majority of the directors then in office. Such additional directors may be selected by the Board at any time and shall serve on the Executive Committee for a term of one year from the date of such selection. Subject to the terms of Section 1(a)-(i) above, the Executive Committee shall have all of the authority of the Board between meetings of the Board or in situations that require immediate action; provided, that by a vote of the majority of directors then in office, the Board may at any time revoke or modify any or all of the authority so delegated to the Executive Committee. The Executive Committee shall report all of its actions to the full Board at the next duly scheduled Board meeting.

Section 3. Advisory Committees. The Board of Directors may establish one or more Advisory Committees. The members of any Advisory Committee may consist of directors or non-directors who have a record of contribution and/or service to this corporation and may be appointed as the Board determines. On matters requiring Board authority, Advisory Committees shall be restricted to making recommendations to the Board or Board Committees and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

Section 4. Committee Supervision and Reliance. If a committee is composed and appointed as required by Section 1 above (concerning Board Committees), it may act with the authority of the Board to the extent and with the scope provided by the Board. Otherwise, the Board of Directors shall remain responsible for oversight and supervision of the committee as an Advisory Committee. If a committee meets the criteria of Article III, Section 14.A.(iii), the individual directors may rely on it in discharging their fiduciary duties as provided in that Section.

Section 5. Audit Committee. For any tax year in which this corporation has gross revenues of \$2 million or more, this corporation shall have an Audit Committee whose members shall be appointed by the Board of Directors, and who may include both directors and non-directors, subject to the following limitations: (a) members of the finance committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (b) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) the Audit Committee may not include any member of the staff, including the President or chief executive officer and Treasurer or chief financial officer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with this corporation; and (e) Audit Committee members who are not directors may not receive compensation greater than the compensation paid to directors for their Board service.

The Audit Committee shall: (1) recommend to the full Board of Directors for approval the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (2) subject to the supervision of the full Board, negotiate the compensation of the auditor on behalf of the Board, (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this corporation are in order, (4) review

and recommend whether to accept the audit, and (5) approve performance of any non-audit services provided to this corporation by the auditor's firm.

For any tax year in which this corporation has gross revenues of less than \$2 million, the Finance Committee as set out in Article IV(7) shall serve as the Audit Committee to (1) recommend to the full Board of Directors for approval the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (2) subject to the supervision of the full Board, negotiate the compensation of the auditor on behalf of the Board, (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this corporation are in order, (4) review and recommend whether to accept the audit, and (5) approve performance of any non-audit services provided to this corporation by the auditor's firm.

Section 6. Governance Committee

The Governance Committee shall consist of not less than three (3) members who must be active members of the Board of Directors. The function of the Governance Committee is to ensure the Foundation Board's clarity and performance of its philanthropic role, with specific responsibility for Board Member development, nominations of new Board Members and Officers, continued review and recommendation to the full Board for updates to Bylaws and other governing documents of the Corporation.

Section 7. Finance Committee

The Finance Committee shall consist of not less than three (3) Directors. The functions of this Committee are to assist in the preparation of the annual operating budget, to monitor and evaluate monthly/quarterly revenues & expenditures, to recommend an auditor and oversee the audit process, and to implement the Foundation's Allocation and Investment Policy as adopted by the Board of Directors. The Finance Committee may appoint an advisory committee, which may meet concurrently with the Finance Committee from time to time, to assist in making recommendations on investments and monetary holdings for consideration by the Board of Directors.

Section 8. Development Committee

The Development Committee shall consist of not less than three (3) members. The function of this Committee is to assist in development and oversight of fundraising, including but not limited to events, grants, donor development and similar activities.

Section 9. Meetings.

A. Of Board Committees. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article III of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the

content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

B. Of Advisory Committees. Subject to the authority of the Board of Directors, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any Board Committee or Advisory Committee not inconsistent with the provisions of these Bylaws.

Section 10. Honorary Trustees. The Board of Directors may from time to time designate a certain distinguished person as an Honorary Trustee. The terms and specific honors of this position shall be determined by the Board at the time of designation. This position shall be advisory only and shall have no voting rights.

ARTICLE V OFFICERS

Section 1. Officers. The officers of this corporation shall be a President, a Vice President, a Secretary, and a Treasurer. This corporation may also have, at the discretion of the Board of Directors, such other officers as may be appointed by the Board of Directors. Any number of offices may be held by the same person, except that the Secretary, the Treasurer, or the Chief Financial Officer, if any, may not serve concurrently as the President or Chair of the Board, if any. All officers shall be elected from among the directors of this corporation.

Section 2. Election. The officers of this corporation shall be elected annually by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the vote of a majority of the directors then in office or the unanimous written consent of the Board of Directors.

Section 4. Resignation. Any officer may resign at any time by giving written notice to this corporation. Any resignation shall take effect on receipt of that notice by any other officer than the person resigning or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office.

Section 6. President. The President shall, subject to control of the Board, generally supervise, direct and control the business and other officers of this corporation. The

President shall preside at all meetings of the Board of Directors. The President shall be a member of all Board Committees, shall have the general powers and duties of management usually vested in the office of president of this corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. If the Executive Director position is vacant, the President shall be the chief executive of this corporation.

Section 7. Vice President. The Vice President shall, in the absence of the President, carry out the duties of the President and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books of this corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. Treasurer. The Treasurer shall be the chief financial officer of this corporation and shall supervise the charge and custody of all funds of this corporation, the deposit of such funds in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of this corporation's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

ARTICLE VI EXECUTIVE DIRECTOR

The chief executive of this corporation responsible for the general management of its affairs shall be the Executive Director, who shall be the most senior member of this corporation's paid staff, and who shall report directly to the President and the Board of Directors. The Executive Director shall be hired and reviewed or terminated at the pleasure of the Board, subject to his or her rights, if any, under any contract of employment. The Executive Director shall not, by virtue of holding such position, be deemed a director or officer of this corporation.

ARTICLE VII CERTAIN TRANSACTIONS

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 below, the Board of Directors shall not approve, or permit this corporation to engage in, any self-dealing

transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within California Nonprofit Public Benefit Corporation Law Section 5233(b).

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

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the requirements above; provided, that at its next meeting, the full Board determines in good faith that the Board Committee's approval of the transaction was consistent with the requirements above and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

ARTICLE VIII INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this corporation shall indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

Section 2. Approval of Indemnity. On written request to the Board of Directors in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board of Directors may authorize the advance of expenses incurred by or on behalf of an agent of this corporation in defending any proceeding prior to final disposition, if the Board finds that:

(a) the requested advances are reasonable in amount under the circumstances;
and

(b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether the undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board of Directors may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, and such insurance may provide for coverage against liabilities beyond this corporation's power to indemnify the agent under law.

ARTICLE IX GRANTS ADMINISTRATION

Section 1. Purpose of Grants. Subject to terms of Section 6 below, this corporation shall have the power to make grants and contributions and to render other financial assistance for the purposes expressed in this corporation's Articles of Incorporation.

Section 2. Board of Directors Oversight. The Board of Directors shall exercise itself, or delegate, subject to its supervision, control over grants, contributions, and other financial assistance provided by this corporation. The Board shall approve a process for reviewing and approving or declining all requests for funds made to this corporation, which shall require such requests to specify the use to which the funds will be put, and include a mechanism for regular Board review of all grants made. The Board shall similarly approve a process for authorizing payment of duly approved grants to the approved grantee.

Section 3. Refusal; Withdrawal. The Board of Directors, in its absolute discretion, shall have the right to refuse to make any grants or contributions, or to render other financial assistance, for any or all of the purposes for which the funds are requested. In addition, the Board, in its absolute discretion, shall have the right to withdraw its approval of any grant at any time and use the funds for other purposes within the scope of the purposes expressed in this corporation's Articles of Incorporation, subject to any rights of third parties under any contract relating to such grant.

Section 4. Accounting. The Board of Directors shall determine under what circumstances to require that grantees furnish a periodic accounting to show that the funds granted by this corporation were expended for the purposes that were approved by the Board.

Section 5. Restrictions on Contributions. Unless otherwise determined by resolution of the Board of Directors in particular cases, this corporation shall retain complete control and discretion over the use of all contributions it receives, subject only to any charitable trust restrictions that apply to such contributions, and all contributions received by this

corporation from solicitations for specific grants shall be regarded as for the use of this corporation and not for any particular organization or individual mentioned in the solicitation.

Section 6. Restricted Fund. This corporation holds certain assets in a restricted fund, for the purpose of extending financial aid toward the operation, maintenance and modernization of facilities of Mendocino Coast District Hospital, located in Fort Bragg, California, in full accord with the purposes of Mendocino Coast District Hospital and to the end that the greatest amount of hospital service may be extended to the greatest number of persons served by Mendocino Coast District Hospital. Notwithstanding anything to the contrary, no contribution, gift, bequest, or receipt inuring to this corporation on or after August 8, 2019, shall be considered part of this restricted except as determined by the Board of Directors in its sole discretion.

ARTICLE X MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of this corporation shall end each year on December 31.

Section 2. Contracts, Notes, and Checks. All contracts entered into on behalf of this corporation must be authorized by the President or the Executive Director. Except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of this corporation shall be signed by the President, the Treasurer, the Executive Director, or such other person or persons on whom such power may be conferred by the Board of Directors from time to time; provided, that any check, draft, promissory note, money order, or other evidence of indebtedness of over \$1,000 shall require the signature of (i) the Executive Director and the President, the Treasurer, or a director as designated by the Board, or (ii) any two directors as designated by the Board.

Section 3. Annual Reports to Directors. The chief executive officer shall furnish an annual written report to all directors of this corporation containing the following information about this corporation's previous fiscal year:

(a) the assets and liabilities, including the trust funds of this corporation, as of the end of the fiscal year;

(b) the principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) the revenue or receipts of this corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) the expenses or disbursements of this corporation, for both general and restricted purposes, for the fiscal year; and

(e) any transaction during the previous fiscal year involving more than \$50,000 between this corporation (or its parent or subsidiaries, if any) and any of its directors or

officers (or the directors or officers of its parent or subsidiaries, if any) or any holder of more than ten percent of the voting power of this corporation or its parent or subsidiaries, if any, or any of a number of such transactions in which the same person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than \$50,000, as well as the amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of this corporation. For each transaction, the report must disclose the names of the interested persons involved in such transaction, stating such person's relationship to this corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without an audit from the books and records of this corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Article X, Section 5, of these Bylaws.

Section 4. Required Financial Audits. This corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Whether or not they are required by law, any audited financial statements obtained by this corporation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (1) by making them available at this corporation's principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on this corporation's website.

Section 5. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from this corporation, this corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to this corporation, this corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 6. Amendments. Proposed amendments to these Bylaws shall be submitted in writing to the directors at least one week in advance of any Board meeting at which they will be considered for adoption. The vote of a majority of the directors then in office or the unanimous written consent of the Board of Directors shall be required to adopt a bylaw amendment.

Section 7. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

CERTIFICATE OF SECRETARY

I, Susan Warner, certify that I am presently the duly elected and acting Secretary of Mendocino Coast Healthcare Foundation, a California nonprofit public benefit corporation, and that the above Amended and Restated Bylaws, consisting of 14 pages, are the bylaws of this corporation as adopted by the Board of Directors, on July 29, 2019.

DATED: October 24, 2019



Susan Warner, Secretary