



**Bylaws of
SacValley MedShare
a California Not For Profit Corporation**

**ARTICLE 1
PURPOSES**

SECTION 1. OBJECTIVES AND PURPOSES

The primary objectives and purposes of this Corporation shall be: to establish, operate and maintain a regional Health Information Exchange (HIE), to include but not be limited to; fulfilling a community need for HIE, the development and implementation of a community/regional health information exchange plan, providing coordination and project management for community/regional HIE services, providing supporting services as may facilitate the achievement of HIE in the community/region, and contracting for health information exchange services.

**ARTICLE 2
NONMEMBERSHIP**

SECTION 1. NONMEMBERSHIP

This Corporation shall have no members. Pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Directors.

**ARTICLE 3
DIRECTORS**

SECTION 1. NUMBER

The Corporation shall have a maximum of sixteen (16) Directors and collectively they shall be known as the Board of Directors. The number may be changed by amendment of this bylaw. Each member shall have one vote. Voting by proxy shall be permitted by the current Director's direct designee. Designees are to be agreed upon, prior to designee attending any meeting as a proxy, by a majority vote of the current Board members. The board may designate additional non-voting members as recommended by the nominating committee and majority approval of the board members.

SECTION 2. QUALIFICATIONS

The Board shall develop a plan to allow representation of the diverse organizations and professions that are involved in Health Information Exchange, by appointment to the Board of Directors and/or by involvement in the various Committees, groups and subgroups that provide direction and decision up to the Board.

SECTION 3. TERM

The term of office for each Director shall be three (3) years. A Director may be reappointed for additional terms; to rotate the representation so that all participating organizations have an opportunity to have a Board seat.



SECTION 4. APPOINTMENT OF DIRECTORS

There shall be a nominating committee. The nominating committee will put forward a slate of Directors annually and the Board will discuss the slate and may suggest changes. The nominating committee shall consist of five (5) current Board members whom do not hold a Board Officer seat, to be selected by voluntary nomination and/or appointment by the Chairperson of the Board. The nominating committee shall choose a leader and that appointed leader shall make the formal appointment recommendations to the Chairperson of the Board. The Board will approve the final slate of Directors by a simple majority vote.

SECTION 5. VACANCIES

Vacancies on the Board shall be filled by an appointment proposed by the nominating committee and approved by a simple majority of the Board.

SECTION 6. COMPENSATION

Directors shall serve without compensation except that they shall be paid their actual and necessary expenses incurred in attending required meetings. Directors may not generally be compensated for rendering services to the Corporation in any capacity unless such other compensation is reasonable, is approved in advance by the Board, and is in accordance with this Corporation's conflict of interest policy as set forth in Article 12 of these bylaws.

SECTION 7. REGULAR, SPECIAL AND ANNUAL MEETINGS

Regular meetings of Board of Directors shall be held. A meeting calendar shall be published. Special meetings of the Board shall be held at a time and place to be determined by the Chairperson of the Board. Notice of such meetings describing the date, time, place, and purpose of the meeting shall be provided to each Director personally, by telephone, email, mail, or courier no fewer than two (2) business days prior to the special meeting. All meetings of the Board are public unless designated in advance as closed session.

SECTION 8. MEETING BY TELECOMMUNICATION

Any regular or special meeting of the Board may be held by telephone, remote video or other telecommunication arrangement which allows all Directors, by request, to hear and speak to all other Directors.

SECTION 9. QUORUM FOR MEETINGS

A quorum shall consist of a simple majority of Directors. Directors participating by telephone are considered present. Approved designated proxies are considered Directors and if joined telephonically, are also considered present. In the absence of a quorum at a duly called meeting, the presiding officer or a majority of the Directors present may adjourn the meeting until such time and date when a quorum shall be present.



SECTION 10. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board or his/her designated Board member. The secretary of the Corporation shall act as secretary for all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another Director to act as secretary of the meeting. Meetings shall be governed by Robert's Rules of Order in so far as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this Corporation, or with provisions of law or regulation.

SECTION 11. ACTION BY CONSENT

Any action required by law to be taken at a meeting of the Board or any action which may be taken at a Board meeting may be taken with or without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the Directors.

SECTION 12. MEETINGS PUBLIC

The meetings of the Board of Directors shall be public, unless deemed necessary by the Chairperson of the Board and/or as voted on by the Board of Directors. The Board may hold closed sessions or meetings to deal with legal or human resources matters that only consist of actual Board members and not any committee members or special guests that are not a voting member of the Board unless they are specifically requested by the Board in order to provide necessary information.

SECTION 13. REMOVAL

Any Director who fails to attend two-thirds of the regular Board meetings (in person or telephonically; and whom has not sent a Board approved designee as their proxy) during the fiscal year of the Corporation will not be retained on the Board except by a simple majority vote of the Directors, excluding the subject individual. Any Director may be removed by simple majority vote of the Directors, excluding the subject individual.

ARTICLE 4 COMMITTEES

SECTION 1. ESTABLISHMENT OF COMMITTEES BY THE BOARD

The initial Board of Directors shall consist of a Chair, Vice Chair, the Secretary and the Treasurer. The Board of Directors may, by a simple majority vote, designate additional members to other committees and delegate to any such committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these bylaws, requires the approval of the Board.
- (b) The filling of vacancies on the Board or on any committee which has the authority of the Board.



- (c) The fixing of (potential future) compensation of the Directors for serving on the Board or on any committee.
- (d) The amendment or repeal of bylaws or the adoption of new bylaws.
- (e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repeal able.
- (f) The appointment of committees of the Board or the members thereof.
- (g) The approval of any transaction to which this Corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a simple majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its committee members, and fill vacancies therein from the members of the Board or from stakeholders as designated below. The committee shall publish and post agendas, keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

SECTION 2. DEVELOPMENT COMMITTEE

The Board of Directors shall appoint a Development Committee, whose members may be drawn from Board members and from stakeholders. The membership of the Development Committee should provide representation of the diverse organizations and professions that are involved in Health Information Exchange. The Development Committee shall have responsibility to produce and submit policies, procedures and associated documents for approval by the Board, and to research and provide guidance to the Board on all matters concerning Health Information Exchange. The Development Committee should work in association with any other Committees to assist the Board to plan, develop and implement a Health Information Exchange that helps to fulfil the multiple medical information exchange needs of its community and its stakeholders.

SECTION 3. NOMINATING COMMITTEE

The Board of Directors shall appoint a Nominating Committee not to exceed five (5) Board members (excluding current officers), which shall have responsibility for proposing candidates for the Board in anticipation of the ending of terms or in the event of a vacancy. The committee will choose a leader in and of itself to make the final proposal to the Board.

SECTION 4. FINANCE COMMITTEE

The Board of Directors shall appoint a Finance Committee not to exceed seven (7) members, which include the Board Treasurer and another Board Officer, and shall have responsibility for financial oversight, including but not limited to, developing and recommending an annual budget for Board approval, ongoing financial management, reporting and auditing based on generally accepted accounting standards. The



Finance Committee shall also serve as the Investment Committee. The quorum for the finance committee shall be no less than three (3) members.

SECTION 5. OTHER COMMITTEES

The Board may form other committees as it determines a need ensuring that at least one of the committee members is a Board member.

SECTION 6. COMMITTEE TERMS

The term of a committee appointment shall be at least one year. The Board may make committee reappointments without limitation.

ARTICLE 5 OFFICERS AND MANAGEMENT

SECTION 1. OFFICERS

At its annual meeting, the Board shall elect a Chair of the Board, Vice-Chair of the Board, a Secretary and a Treasurer.

SECTION 2. STAFF

The Board of Directors may determine any appropriate staffing as determined by the Board. The Corporation shall continuously strive to keep overhead expenses at a modest level.

ARTICLE 6 BYLAWS

SECTION 1. BYLAWS AMENDMENT

These bylaws may be amended by two-thirds vote of the Board of Directors.

ARTICLE 7 FISCAL YEAR

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each calendar year.

ARTICLE 8 FINANCES

SECTION 1. BUDGET

An annual budget shall be prepared and presented for approval annually with at least quarterly updates provided to the Board.

SECTION 2. FINANCIAL REPORTS

A fiscal year-end financial report and monthly financial reports shall be prepared and provided to the Board for discussion, consideration, and approval.

SECTION 2. FUNDS



Grant funds awarded to the Corporation shall be deposited into an interest-bearing checking account for SacValley MedShare that is setup solely for that grant purpose. There can be multiple grant fund bank accounts at different institutions, as resolved via resolutions by the Board of Directors by simple majority vote.

All other funds received by the Corporation shall be deposited into a business checking account for operating funds for SacValley MedShare.

Funds designated as “board restricted” may be invested and the Corporation’s Investment Policy must be strictly followed.

SECTION 3. LOANS

No loans shall be made by the Corporation to Directors, officers, staff, consultants, or agents.

SECTION 4. CONTRIBUTIONS

The Corporation may accept a contribution (gift, bequest or grant) so long as the contribution is made consistent with the established purposes of the Corporation and is permitted by applicable local, state, and federal law.

ARTICLE 9 OFFICES

SECTION 1. PRINCIPAL OFFICE

The principal office of the Corporation for the transaction of its business shall be determined by the Board of Directors and located in a County of the region served.

SECTION 2. CHANGE OF ADDRESS

The county of the Corporation’s principal office can be changed only by amendment of these bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another.

ARTICLE 10 RECORDS

SECTION 1. BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records and minutes of the proceedings of the Board of Directors and Committees.

SECTION 2. INSPECTION

The books and records of the Corporation shall be open to inspection upon written demand of any director at any reasonable time.

ARTICLE 11 INDEMNIFICATION

SECTION 1. INDEMNIFICATION



The Corporation shall indemnify each person who is or has been a Director, officer, employee, or consultant of the Corporation against all expenses and liabilities reasonably incurred based upon participation in the Corporation.

SECTION 2. INSURANCE

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, consultant, or agent of the Corporation against any liability based upon any legal actions taken in such role.

ARTICLE 12 CONFLICT OF INTEREST

SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The Board shall adopt a conflict of interest policy consistent with Internal Revenue Service recommendations for organizations that qualify as exempt within the meaning of Section 501(c)(3) of the Internal Revenue Code. No contract, transaction, or act shall be entered into on behalf of the Corporation if it would jeopardize the Corporation's tax-exempt status under section 501(c)(3) of the Code.

SECTION 2. STATEMENT OF CONFLICTS OF INTEREST

Prior to taking a position on the Board of Directors, and annually thereafter, each Director shall complete and submit to the Secretary of the Board a signed conflict of interest statement and if not received in a timely manner, the member may potentially be removed from the Board at the discretion of the Board of Directors.

SECTION 3. WHEN A CONFLICT EXISTS

The fiduciary duty of each Board member is to represent the interest of the Corporation to the exclusion of any other relationships that may apply. When a matter comes before the Board which may involve a conflict of interest, it is the duty of the affected Board member to disclose the conflict and to recuse himself or herself from the decision if the simple majority of the Board so requests.

SECTION 4. DISINTERESTED DIRECTORS

Any corporate decision or transaction in which a Director has a direct or indirect interest must be approved in good faith by simple majority of the Directors who have no direct or indirect interest in the decision or transaction.