

AGENDA
GOVERNANCE COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, December 13, 2017 – 5:30pm

El Camino Hospital | Conference Room A (ground floor)
2500 Grant Road Mountain View, CA 94040

Mr. Pete Moran will be participating via teleconference from 110 Sioux Lane Los Altos, CA 94022.

Mr. Bob Rebitzer will be participating via teleconference from 159 Seale Ave Palo Alto, CA 94301.

PURPOSE: To advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition, i.e., the nomination and appointment/ reappointment process. The Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Peter Fung, MD, Chair		5:30 – 5:32pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter Fung, MD, Chair		5:32 – 5:33
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Peter Fung, MD, Chair		information 5:33 – 5:36
4. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> <i>Approval</i> a. Minutes of the Open Session of the Governance Committee Meeting (October 3, 2017)	Peter Fung, MD, Chair	<i>public comment</i>	motion required 5:36 – 5:37
5. REVIEW PROPOSED AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF SILICON VALLEY MEDICAL DEVELOPMENT, LLC ATTACHMENT 5	William Faber, MD, CMO; Mary Rotunno, General Counsel	<i>public comment</i>	possible motion 5:37 – 5:55
6. ADJOURN TO CLOSED SESSION	Peter Fung, MD, Chair		motion required 5:55 – 5:56
7. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter Fung, MD, Chair		5:56 – 5:57
8. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> <i>Approval</i> <i>Gov’t Code Section 54957.2:</i> a. Minutes of the Closed Session of the Governance Committee Meeting (October 3, 2017)	Peter Fung, MD, Chair		motion required 5:57 – 5:58
9. ADJOURN TO OPEN SESSION	Peter Fung, MD, Chair		motion required 5:58 – 5:59

A copy of the agenda for the Regular Committee Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting.

In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
10. RECONVENE OPEN SESSION/ REPORT OUT	Peter Fung, MD, Chair		5:59 – 6:00
To report any required disclosures regarding permissible actions taken during Closed Session.			
11. ADJOURNMENT	Peter Fung, MD, Chair		motion required 6:00pm

Upcoming Meetings

- February 6, 2018
- April 3, 2018
- June 5, 2018

Board/Committee Educational Gatherings

- April 25, 2018



**Minutes of the Open Session of the
Governance Committee
Tuesday, October 3, 2017**

**El Camino Hospital | Conference Room A (ground floor)
2500 Grant Road, Mountain View, CA 94040**

Members Present

Peter C. Fung, MD, Chair
Gary Kalbach
Christina Lai
Peter Moran (via teleconference)
Robert Rebitzer

Members Absent

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Governance Committee of El Camino Hospital (the “Committee”) was called to order at 5:34pm by Chair Fung. A verbal roll call was taken. Mr. Moran participated via teleconference. Mr. Rebitzer arrived at 6:22pm during Agenda Item 8: Annual Board and Committee Self-Assessment results. All other Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	<p>Chair Fung asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (August 1, 2017); and for information: Progress Against FY18 Goals, El Camino Hospital Committee Recruitment, and Article of Interest.</p> <p>Movant: Kalbach Second: Moran Ayes: Fung, Lai, Kalbach, Moran Noes: None Abstain: None Absent: Rebitzer Recused: None</p>	<i>Consent Calendar approved</i>
5. REPORT ON BOARD ACTIONS	Chair Fung referred to the written reports and highlighted the Hospital Board’s approval of the educational plan, additional funds for the IMOB and BHS construction projects, and the District Board’s appointment of Ms. Neysa Fligor to the District and Hospital Boards. Cindy Murphy, Director of Governance Services, described the attendee list for the upcoming Estes Park Conference.	
6. PROPOSED REVISED ECH BOARD MEMBER ELECTION AND RE-ELECTION PROCESS	Ms. Murphy reported that the District Ad Hoc Committee met in August and proposed revisions to the ECH Board Member Re-Election Process, specifically including feedback from non-District Board members in the competency surveys. She noted that the District Board ultimately owns the process, even though it is being reviewed by the Governance Committee and the Hospital Board. She explained that the survey results compiled by Nygren include two versions, one with the additional Hospital Board member	<i>ECH Board Member Election and Re-Election Process recommend- ed for</i>

	<p>feedback, and one with only the District Board’s evaluations. This provides the District Board with the option to incorporate this data at its October 17th meeting if the District Board accepts the proposed revisions to the policy.</p> <p>She also noted that additional changes to the policy include flexibility in the recruitment timeline, addressing unexpected mid-term vacancies or new Board seats, and adding a Hospital Board Director who is not a District Board member as an additional advisor to the Committee.</p> <p>Ms. Murphy also described the ECH Board Member Re-Election Report Survey, also used to evaluate members for re-election, and the proposed process change to allow the Ad Hoc Committee to determine whether or not it is useful in a given year.</p> <p>JoAnn McNutt from Nygren Consulting commented that including the perspectives of non-District Board members in competency evaluation is beneficial to the process.</p> <p>Director Fung requested that the word “unanimously” be removed from Section A(3)(a)(i).</p> <p>Motion: To recommend that the ECH Board recommend to the El Camino Healthcare District Board that it approves the Proposed Revised ECH Board Member Election and Re-Election Process (omitting the word “unanimously”).</p> <p>Movant: Kalbach Second: Lai Ayes: Fung, Lai, Kalbach, Moran Noes: None Abstain: None Absent: Rebitzer Recused: None</p>	<p><i>approval</i></p>
<p>7. COMPETENCY MATRIX SURVEY RESULTS & ECH BOARD MEMBER (NDBM) POSITION SPECIFICATION</p>	<p>JoAnn McNutt of Nygren Consulting explained that the survey was the same as last year. She reported that areas with the lowest aggregate scores included finance and complex partnerships with clinicians.</p> <p>The Committee discussed how to rank the competencies for FY18 including considerations of 1) focusing on the areas with the lowest scores on the survey; 2) linking recruitment efforts with the strategic plan; 3) dynamics in the market that the Board is facing and will continue to face; 4) perspectives/skills that are transferrable from industries other than health care; and 5) changing priorities over time and year-to-year. The Committee also discussed how the number of competencies should stay limited to ensure that the list is meaningful.</p> <p>Mr. Kalbach commented that the CEO’s competencies and strengths should be considered when evaluating Board competencies.</p> <p>The Committee noted that the highest-scoring competencies (3.5) and the lowest-scoring competencies (3.04) were not significantly differentiated.</p> <p>Following discussion, even though some of the other survey items received lower ratings, the Committee agreed that the Draft Revised ECH Board Member Position Description for FY18 should include the same five top priority competencies as FY17.</p>	<p><i>ECH Board Member Position Spec recommend-ed for approval</i></p>
<p>8. ANNUAL BOARD AND COMMITTEE SELF-</p>	<p>Ms. McNutt recommended not repeating the same Board Assessment this year. Last year, the Board conducted only the Board and Board Chair Self-Assessment, and a decision was made to delay taking action on the results</p>	<p><i>FY18 Board and Committee</i></p>

<p>ASSESSMENT TOOL</p>	<p>until the new CEO was in place. She suggested conducting a brief, open-ended survey instead for FY18 and returning to the full-fledged survey in FY19.</p> <p>The Governance Committee discussed at length the value of conducting the full Board and Board Chair assessments this year and contributing factors including: 1) delayed action on last year’s self-assessment results; 2) the addition of two new Board members; 3) an interim CEO and the hiring of a new CEO; and 4) the recent appointment of Board Chair Chen.</p> <p>Mr. Moran suggested that a short Board Chair Assessment be conducted to provide initial impressions of and feedback to Board Chair Chen. Ms. McNutt suggested an abbreviated Board Chair Assessment that would ask Board members, “what advice do you have for a new Board Chair?”</p> <p>The Committee noted that the enhanced FY18 Committee Assessment Tool developed by Nygren appropriately captured the areas it was interested in reviewing related to the effectiveness of the Advisory Committee structure.</p> <p>Motion: To recommend the Board conduct a regular bi-annual Committee Self-Assessment and an abbreviated Board and Board Chair Self-Assessment in FY18 with only a few open-ended questions.</p> <p>Movant: Kalbach Second: Lai Ayes: Fung, Lai, Kalbach, Moran Noes: None Abstain: None Absent: Rebitzer Recused: None</p> <p>The Committee discussed incorporating a measure into the Committee Assessment Tool to evaluate whether or not Committees are getting appropriate information from staff. Ms. Nygren suggested adding the question, “Is the Committee receiving the right information from management? If not, how can management improve?”</p> <p>Dan Woods, CEO, commented that it is important for him to work with staff to make sure materials are presented to the Board and Committees from a governance perspective rather than a management perspective. The Committee discusses the difficulty of agreeing to and managing the delineation between management and governance. Mr. Kalbach commented that it is the duty of the Board Chairs to guide conversation and make sure that the Board discusses issues of governance. The Committee discussed the need to facilitate conversations so that the Board and staff can work from the same definitions of “management” and “governance.” Members suggested the Board use their retreat to work on this topic.</p>	<p><i>Self-Assessment Tools approved</i></p>
<p>9. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:50pm.</p> <p>Movant: Kalbach Second: Rebitzer Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p> <p>Ms. McNutt left the meeting.</p>	<p><i>Adjourned to closed session at 6:50pm.</i></p>
<p>10. AGENDA ITEM 12: RECONVENE</p>	<p>Open session was reconvened 6:51pm. Agenda items 10-11 were addressed in closed session. During the closed session, the Committee approved the</p>	

<p>OPEN SESSION/ REPORT OUT</p>	<p>Minutes of the Closed Session of the Governance Committee Meeting (August 1, 2017) by a unanimous vote in favor of all members present (Fung, Kalbach, Lai, Moran, and Rebitzer).</p>	
<p>11. AGENDA ITEM 13: PACING PLAN</p>	<p>Ms. Murphy explained that the Board of Managers of Silicon Valley Medical Development, LLC, an affiliate ECH, is developing defined Reserved Powers vis à vis the Hospital Board. The SVMD Board of Managers would like the Governance Committee to review the draft from legal counsel and make a recommendation to the Hospital Board. She noted that to expedite this process, it may involve moving the Committee’s February meeting to January. She will confirm with SVMD what timing is required and will coordinate with the Committee accordingly.</p> <p>Motion: To approve the FY17 Pacing Plan.</p> <p>Movant: Kalbach Second: Lai Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p>	<p><i>Pacing Plan approved</i></p>
<p>12. AGENDA ITEM 18: ROUND TABLE DISCUSSION</p>	<p>The Committee and staff expressed appreciation for the productive discussion at the meeting.</p>	
<p>13. AGENDA ITEM 19: ADJOURNMENT</p>	<p>Motion: To adjourn at 7:04pm.</p> <p>Movant: Lai Second: Kalbach Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p>	<p><i>Meeting adjourned at 7:04pm.</i></p>

Attest as to the approval of the foregoing minutes by the Governance Committee of El Camino Hospital:

 Peter C. Fung, MD
 Chair, Governance Committee

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Proposed Amended and Restated Limited Liability Company Operating Agreement of Silicon Valley Medical Development, LLC (“SVMD”) Governance Committee December 13, 2017
Responsible party:	William Faber, MD, CMO and President of SVMD; Mary Rotunno, General Counsel
Action requested:	Possible Motion
Background: SVMD was formed as an LLC in 2008 to provide ambulatory and new venture development and to serve as a focal point for new business development outside of the acute care setting. El Camino Hospital is the sole corporate member of SVMD and the Hospital is currently the sole source of funding. SVMD was governed initially by a Board of Managers and in 2012, the ECH Board approved the transfer of governance to a Member-managed LLC with the CEO of the Hospital appointed as the sole Member Representative. In 2016, the ECH Board reinstated the Board of Managers as the governing body when the first 1206(g) unlicensed primary care clinic was opened.	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: None.	
Summary and session objectives : As SVMD clinic growth is a major objective, it is important to clarify the reserved powers that ECH retains as the sole corporate member of SVMD and confirm delegation of authority to SVMD Board of Managers, including authority to appoint officers and agents with delegated authority.	
Suggested discussion questions: 1. Are the proposed reserved powers and delegation of authority appropriate?	
Proposed Committee motion, if any: To recommend that the ECH Board approve the Amended & Restated Limited Liability Company Operating Agreement of Silicon Valley Medical Development, LLC.	
LIST OF ATTACHMENTS: 1. Proposed Amended and Restated Limited Liability Company Operating Agreement of Silicon Valley Medical Development, LLC	

AMENDED AND RESTATED

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

SILICON VALLEY MEDICAL DEVELOPMENT, LLC

This Amended and restated Limited Liability Company Operating Agreement (this “Agreement”) of Silicon Valley Medical Development, LLC amends and restates the Limited Liability Company Operating Agreement dated June 17, 2008, as amended. This Agreement is entered into as of the ____ day of _____, ~~201~~201, by El Camino Hospital, a California nonprofit public benefit corporation, as the sole member (the “Member”).

The Member in order to form a limited liability company pursuant to and in accordance with the California Beverly-Killea Limited Liability Company Act, as amended from time to time (Cal. Corp. Code § 17000, *et seq.*) (the “Act”), hereby agrees with the Company as follows:

1. Name. The name of the limited liability company shall be Silicon Valley Medical Development, LLC (the “Company”).

2. Member. The name and the business and mailing addresses of the Member is as follows:

<u>Name</u>	<u>Address</u>
El Camino Hospital	2500 Grant Road Mountain View, CA 94040

3. Initial-Office and Designated Agent. The name and address of the ~~initial~~current agent of the Company for service of process on the Company in the State of California, is ~~e/o Corporation Service Company d/b/a CSC-Lawyers Incorporating Service, Suite 100, 2730 Gateway Oaks Drive, Sacramento, California 95833~~Mary L. Rotunno, 2500 Grant Rd, Administration, Mountain View, CA 94040. Such designations may be changed by the Board of Managers.

4. Articles. The Member, acting through any of its authorized officers, is hereby designated as an authorized person within the meaning of the Act to execute, deliver and file the Articles of Organization of the Company (the “Articles”), and to execute, deliver and file any amendments or restatements of the Articles or any certificate of cancellation of the Articles.

5. Purpose and Powers. The purpose of the Limited Liability Company is to engage in any lawful act or activity for which a limited liability company may be organized under the Act. Such purpose shall include, without limitation, to establish initiatives between independent physicians and El Camino Hospital, to develop and maintain ambulatory ventures outside of the Member’s facilities, and to establish and provide management services to any medical groups in

association with the Member. The Company shall have the power and authority to do any and all acts necessary or convenient to or in furtherance of the foregoing purposes, including all power and authority, statutory or otherwise, possessed by, or which may be conferred upon, limited liability companies under the laws of the State of California. The Company shall not undertake any activity that would jeopardize the Member's status as a tax-exempt entity under the Internal Revenue Code.

6. Management.

6.1. ~~6.Management~~Board of Managers. The business of the Company shall be managed by a Board of Managers, and the persons constituting the Board of Managers, not the Member, shall be the "managers" of the Company for all purposes under the Act.

The Board of Managers shall consist of four (4) voting managers (as determined by the Member), in addition to the ~~Chief Executive Officer~~ President of the Company who shall be an ex officio voting member of the Board of Managers. The Board of Managers shall initially consist of ~~Hfikhar Hussain, Rich Katzman, Neal Cohen, M.D., the new Integrated Care Medical Officer hired by Member, and Tomi Ryba~~ the Chief Executive Officer of the Company Member, the Chief Financial Officer of the Member, the Chief Medical Officer of the Member, and an appointee from the Member's Board of Directors. The Member has the right to remove any or all managers at any time, with or without cause. If the Member removes the entire Board of Managers, the Member shall then appoint a replacement Board of Managers. The Chief Executive Officer of the ~~Company Member~~ shall have the authority to fill any individual vacancies in the Board of Managers and may remove any manager on the Board of Managers.

Decisions of the Board of Managers shall be embodied in a duly adopted vote taken by a majority of the voting members of the Board of Managers at a meeting for which at least five (5) days' written notice was duly given or waived, or in a resolution adopted by unanimous written consent of the Board of Managers. Such decisions shall be decisions of the "manager" for all purposes of the Act and shall be carried out by any member of the Board of Managers or by officers or agents of the Company designated by the Board of Managers in the vote or resolution in question or in one or more standing votes or resolutions or with the power and authority to do so. A decision of the Board of Managers may be amended, modified, or repealed in the same manner in which it was adopted, but no such amendment, modification or repeal shall affect any person who has been furnished a copy of the original vote or resolution, certified by a duly authorized agent of the Company, until such person has been notified in writing of such amendment, modification, or repeal. Members of the Board of Managers may attend meetings in person or by electronic connection that enables all members present simultaneously to hear one another.

6.2. Member Reserved Powers. Notwithstanding the foregoing, the Member retains the sole power to approve:

a. Any annual budget of the Company as an affiliate of the Member as part of the Member's consolidated budget;

b. Any unbudgeted expenditure of the Company that exceed \$1,000,000;

- c. The role of the Company in the Member's strategic plan;
- d. The selection of an auditor to perform an audit that includes the Company;
- e. Any transfer, sale or disposition of the Company's assets;
- f. Any merger, consolidation, reorganization or dissolution of the Company;
- g. Any amendment or restatement to, or termination of, this Agreement;
- h. Any capital expenditures by the Company greater than \$5 million; or
- i. Any action of the Company that violates the Member's tax-exempt purposes.

Any action listed above that is taken by the Company and not approved by the Member is void.

7. Officers and Agents. The ~~Member, through its Member Representative, acting by written instrument,~~ Board of Managers shall have the power to appoint a President and other officers and agents to act for the Company, ~~with such titles and holding such powers as may be set forth in such written instrument and consistent with.~~ Subject to the Act, the Articles and this Agreement. ~~The Member, through its Member Representative, the Board of Managers may delegate by written instrument to the President and such other officers and agents authority to act on behalf of the Company. The Board of Managers,~~ acting by written instrument, may ratify any act previously taken by ~~an agent~~ the President and such other officers and agents acting on behalf of the Company. Except as provided in the Act, the Articles ~~and,~~ this Agreement, ~~the Member, through its Member Representative and any such delegation of authority,~~ the Board of Managers shall have the sole power to bind the Company.

8. Indemnification. The Company shall indemnify, defend, and hold harmless the Member and any director, officer, or employee of the Member, each member of the Board of Managers, and any person serving at the request of the Company as a director, officer, employee, partner, trustee, or independent contractor of another corporation, partnership, limited liability company, joint venture, trust, or other enterprise (all of the foregoing persons being referred to collectively as "Indemnified Parties" and individually as an "Indemnified Party") from any liability, loss, or damage incurred by the Indemnified Party by reason of any act performed or omitted to be performed by the Indemnified Party in connection with the business of the Company and from liabilities or obligations of the Company imposed on such Indemnified Party by virtue of such Indemnified Party's position with the Company, including reasonable attorneys' fees and costs and any amounts expended in the settlement of any such claims of liability, loss, or damage; *provided, however,* that if the liability, loss, damage, or claim arises out of any action or inaction of an Indemnified Party, indemnification shall be available only if (a) either (i) the Indemnified Party, at the time of such action or inaction, determined in good faith that its, his, or her course of conduct was in, or not opposed to, the best interests of the Company or (ii) in the case of inaction by the Indemnified Party, the Indemnified Party did not intend its, his, or her inaction to be harmful or opposed to the best interests of the Company and (b) the action or inaction did not constitute fraud, gross negligence, or willful misconduct by the Indemnified Party; *provided, further, however,* that the indemnification provided herein shall be

recoverable only from the assets of the Company and not from any assets of the Member. Unless the Board of Managers determines in good faith that the Indemnified Party is unlikely to be entitled to indemnification as provided herein, the Company shall pay or reimburse reasonable attorneys' fees of an Indemnified Party as incurred, provided that such Indemnified Party executes an undertaking, with appropriate security if requested by the Board of Managers, to repay the amount so paid or reimbursed in the event that a final nonappealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to indemnification as provided herein. The Company may pay for insurance covering liability of the Indemnified Party for negligence in operation of the Company's affairs.

No Indemnified Party shall be liable, in damages or otherwise, to the Company or to the Member for any loss that arises out of any act performed or omitted to be performed by it, him, or her pursuant to the authority granted by this Agreement if (a) either (i) the Indemnified Party, at the time of such action or inaction, determined in good faith that such Indemnified Party's course of conduct was in, or not opposed to, the best interests of the Company or (ii) in the case of inaction by the Indemnified Party, the Indemnified Party did not intend such Indemnified Party's inaction to be harmful or opposed to the best interests of the Company and (b) the conduct of the Indemnified Party did not constitute fraud, gross negligence, or willful misconduct by such Indemnified Party.

Any person who is within the definition of "Indemnified Party" at the time of any action or inaction in connection with the business of the Company shall be entitled to the benefits provided herein as an "Indemnified Party" with respect thereto, regardless whether such person continues to be within the definition of "Indemnified Party" at the time of such Indemnified Party's claim for indemnification or exculpation hereunder.

The Company may in its discretion indemnify any of its officers, authorized agents, employees, consultants, and counsel, each as if an "Indemnified Party." The Company may enter into an agreement with any Indemnified Party setting forth procedures consistent with applicable law for implementing the indemnities provided herein; however, the Company's failure to enter into any such agreement shall not limit the indemnities provided herein.

9. Reliance by Third Parties. Any person or entity dealing with the Company may rely upon a certificate signed by the Member or the Board of Managers as to: (a) the identity of the Member or the members of the Board of Managers; (b) the existence or non-existence of any fact or facts which constitute a condition precedent to acts by the Member or the Board of Managers or are in any other manner germane to the affairs of the Company; (c) the persons who or entities that are authorized to execute and deliver any instrument or document of or on behalf of the Company; and (d) any act or failure to act by the Company or as to any other matter whatsoever involving the Company, the Member, or the Board of Managers.

10. Capital Contributions. The Member ~~will allocate~~ has previously allocated up to one million three hundred thousand dollars (\$1,300,000) as its initial capital contribution to the Company. In its sole discretion, the Member may make, but shall not be required to make, additional capital contributions to the Company.

11. Taxation. The Company shall take steps to be treated as other than a corporation for federal tax purposes.

As set forth herein, the Company shall not undertake any activity that would jeopardize the Member's status as a tax-exempt organization under the Internal Revenue Code. If, in its sole discretion, the Member determines that any activity in which the Company is or proposed to be engaged may jeopardize the Company's status as a tax-exempt organization, the Member may require the Company immediately to modify or terminate such activity in order to preserve the Company's status as a tax-exempt organization.

12. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

13. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member.

14. Dissolution. The Company shall have perpetual existence unless it shall be dissolved and its affairs shall have been wound up upon (a) the vote of the Member or (b) the entry of a decree of judicial dissolution under Section 17351 of the Act. The Member shall have the right to vote to dissolve the Company at any time, in its sole discretion, and without approval of the Board of Managers. The existence of the Company as a separate legal entity shall continue until the cancellation of the Articles as provided in the Act.

15. Assignments. The Member may assign its limited liability company interest to any person, which assignee shall become a Member when the assignee becomes a party to the Agreement.

16. Amendments. This Agreement may be amended or restated from time to time by the Member.

17. Liability of Member. The Member shall not have any liability for any obligations or liabilities of the Company except to the extent provided in the Act.

18. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of California all rights and remedies being governed by said laws.

* * *

IN WITNESS WHEREOF, the undersigned sole member of Silicon Valley Medical Development, LLC, intending to be legally bound hereby, has duly executed this [Amended and Restated](#) Limited Liability Company Operating Agreement as of the date and year first above written.

El Camino Hospital,
a California nonprofit public benefit corporation

By: _____
Name: Dan Woods
Title: Chief Executive Officer, El Camino Hospital

Comparison Details	
Title	pdfDocs compareDocs Comparison Results
Date & Time	11/30/17 5:40:21 PM
Comparison Time	0.21 seconds
compareDocs version	v4.1.500.11

Sources	
Original Document	[#31462617] [v2] Amended and Restated Operating Agreement 2017.docx
Modified Document	[#31462617] [v3] Amended and Restated Operating Agreement 2017.docx

Comparison Statistics	
Insertions	22
Deletions	2
Changes	18
Moves	0
TOTAL CHANGES	42

Word Rendering Set Markup Options	
Name	Standard
<u>Insertions</u>	
Deletions	
<u>Moves / Moves</u>	
Inserted cells	
Deleted cells	
Merged cells	
Formatting	Color only.
Changed lines	Mark left border.
Comments color	By Author.
Balloons	False

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	Formatting
Character Level	Word	True
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	False
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True