

NASSAU HEALTH CARE CORPORATION  
AMENDED AND RESTATED  
BYLAWS

As amended through January 25, 2010

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**AMENDED AND RESTATED BYLAWS  
OF THE NASSAU HEALTH CARE CORPORATION**

**ARTICLE I**

**The Corporation**

1.1 Name of the Corporation. The name of the Corporation shall be the “Nassau Health Care Corporation.”

1.2 Seal of the Corporation. The seal of the Corporation shall be circular in form and shall bear the name of the Nassau Health Care Corporation, State of New York and 1997.

1.3 Office of the Corporation. The office of the Corporation shall be located at such place or places within Nassau County, State of New York, as it may from time to time designate by resolution.

1.4 Fiscal Year. The fiscal year of the Corporation shall be from the first day of January to December 31<sup>st</sup> inclusive, each year, or such other twelve (12) consecutive months as the Board of Directors may from time to time designate.

## ARTICLE II

### Directors of the Corporation

2.1 General Powers. The business, property, and affairs of the Corporation shall be governed by the Board of Directors.

2.2 Duties and Responsibilities. The Corporation shall be managed by the Board of Directors (the "Board"). The supervision of the medical care of the patients and residents of the health facilities ("Health Facilities") operated by the Corporation is the responsibility of the Board of Directors. The Board of Directors is responsible for establishing a mechanism for monitoring, evaluating and improving the quality of patient care through an organizational performance improvement program. The Board shall have the control and management of the affairs and property of the Corporation and may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, so long as such rules and regulations are not inconsistent with the laws of the State of New York or these By-laws.

2.3 Term of Office. The appointment and term of office for Directors, either voting or non-voting, shall be as fixed by Section 3402 of the Public Authorities Law of the State of New York, and they shall have the duties and powers as set forth therein.

2.4 Number of Directors. The number of voting Directors constituting the entire Board of Directors of the Corporation shall be as set forth in Section 3402 (b) of the Public Authorities Law. The number of voting Directors in office at any given time shall constitute the entire Board for purposes of establishing a quorum and taking action.

2.5 Resignation. Any Director may resign at any time by giving written notice of such resignation to the Board, the Chairperson or the Secretary. Such resignation shall take effect at the time specified therein or, if not so specified, upon receipt thereof.

2.6 Delegation of Authority. The Directors may, by resolution, authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation to enter into any contract or execute and deliver any instrument, and such authorization may be general or confined to specific instances; but, unless so authorized by the Directors, or expressly authorized by these By-Laws, 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 pecuniarily in any amount for any purpose, except for the payment of a debt or obligation not in excess of \$50,000.00.

## ARTICLE III

### Meetings

3.1 Annual Meeting. The annual meeting of the Board for the election of officers of the Corporation and the transaction of such other business as may properly come before it shall be held at the principal offices of the Corporation at such time and on such date during the month of April in each year as shall be established by resolutions of the Corporation from time to time.

3.2 Regular Meetings. Regular meetings of the Board shall be held at least six (6) times per year at a date, time and place to be fixed by resolution of the Corporation from time to time.

3.3 Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board or any Vice Chairman in the absence of the Chairman of the Board, and shall be called by the Secretary upon the written request of not less than four (4) voting Directors. Special Meetings shall be held at the offices of the Corporation or at such other place as may be designated in the notice of the meeting, and at the time and date specified in the notice of the meeting or in the waiver of notice thereof.

3.4 Notice of Meeting. All meetings of the Board shall be held upon notice. Notice of meetings of the Board of Directors shall be mailed to each Director at the address designated by him or her for such purpose or, if none is designated, at his or her last known address, not less than five (5) days before the day on which the meeting is to be held, or sent by telegram, facsimile transmission or electronic mail to such address or delivered to such Director personally, in each case not less than five (5) days before the day of such meeting. The Board may set regular meeting dates for an upcoming year, or such other period of time as it deems

necessary, pursuant to one, single resolution, which shall be delivered in writing to the Directors, and individual notice of each meeting set in such resolution shall not be required. Special meetings may be held at any time or place within the County of Nassau on twenty-four (24) hours notice to each Director of the Corporation, or within the State of New York on seventy-two (72) hours notice to each Director of the Corporation. Such notice may be oral, telegraphic or written, shall be given, sent or mailed not less than twenty-four (24) hours before the meeting, if to be held in the County of Nassau, and not less than seventy-two (72) hours before the meeting, if to be held in the State of New York, and shall state, in addition to the purposes, the date, place and hour of such meeting. Oral notice shall be immediately confirmed in writing. Notice of any meeting of the Board shall also constitute notice of a meeting of the Executive Committee (to be held at the same place and time as, or in lieu of, such meeting of the Board in the event a quorum of the Board is not present at such meeting).

3.5 Regular and Special Meetings. Any regular meeting shall be open for the consideration of any matter which may be properly brought to the attention of the Corporation. Notice of special meetings must state the purpose for which said special meeting is called.

3.6 Waiver. Notice of a meeting need not be given to any Director who submits a signed waiver whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

3.7 Quorum; Voting. As provided pursuant to Section 3402 (2)(c) of the Public Authorities Law of the State of New York, sixty percent (60%) of the voting Directors then in office shall constitute a quorum at any meeting duly called and held. No action shall be taken by the Board except pursuant to the favorable vote of a majority of the Board at a meeting at which

a quorum is present. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

3.8 Resolutions to Be in Writing. All resolutions presented to the Corporation shall be in writing and, upon the same becoming effective, shall be copied in or attached to a journal of the proceedings of the Corporation.

3.9 Telephone Participation. Any one or more of the Directors shall be permitted to participate in a meeting of the Board by means of a conference telephone or similar communication equipment allowing all persons participating in the meeting to hear each other at the same time. Provided, however, participation by such means shall not constitute presence in person at a meeting for purposes of establishing a quorum.

3.10 Notice to Media. The Secretary shall give notice of every meeting of the Corporation to the media, as required by the New York Open Meetings Law.



## ARTICLE IV

### Corporate Officers

4.1 Officers. The officers of the Corporation shall include a Chairperson, who shall, from time to time, have been designated from among the voting Directors by the County Executive of the County of Nassau, a Chief Executive Officer, a Chief Financial Officer who shall also be Treasurer, and a Secretary. Each person elected under this Section 4.1 shall be a “Corporate Officer.” In addition, the Board may, as it deems appropriate, elect a Chief Operating Officer, one or more Vice Presidents (including Executive and Senior Vice Presidents), one or more Assistant Secretaries, and such other officers as the Board shall determine to be necessary. The Board may also elect, from among its number, one or more Vice Chairmen. The Vice Chairmen and other Corporate Officers elected by the Board shall perform such duties as may be assigned to them from time to time by the Board. Two or more titles may be held by the same person, but the offices of Chief Executive Officer and Secretary or Chief Financial Officer and Secretary shall not be held concurrently by the same person

4.2 Chairperson. The Chairperson of the Corporation shall preside at all meetings of the Directors and shall have all the duties and authority customarily associated with the position of chairperson of the board of directors of a corporation. The Chairperson shall also have such other duties as the Directors of the Corporation may direct. At each meeting of the Directors, the Chairperson shall submit such recommendations and information as the Chairperson may consider proper concerning the business, duties and affairs of the Corporation. The Chairperson shall appoint all committees and designate a member of the Board to Chair each committee. The Chairperson shall be an *ex-officio* member of all committees of the Board. If the Chairperson is

male he shall be known as the Chairman. If the Chairperson is female she shall be known as the Chairwoman.

In the event of a vacancy in the office of the Chief Executive Officer and during the period of such vacancy, the duties and responsibilities of said office shall be exercised by the Chairperson who may delegate to officers and employees of the Corporation any such duties and responsibilities as the Chairperson shall deem appropriate.

4.3 Chief Executive Officer. The Chief Executive Officer shall also have the title of President and shall be the chief administrative officer of the Corporation and, under the direction of the Chairperson, shall have general supervision over, and be in administrative charge of all of the activities of the Corporation, shall direct the corporate activities of the Corporation and coordinate the functions of the Board of Directors and, in addition, perform all the duties incident to such position and office or as directed by any resolution adopted by the Board.

4.4 Chief Financial Officer. The Chief Financial Officer shall assist the Chairperson and the Chief Executive Officer and, subject to the general guidance and direction of the Chief Executive Officer, shall supervise and have charge of the financial affairs of the Corporation. The Chief Financial Officer of the Corporation shall also be the Treasurer of the Corporation. In addition, the Chief Financial Officer shall perform all the other duties as may be, from time to time, assigned by the Chairperson or the Chief Executive Officer, incident to such position and office or as directed by any resolution adopted by the Board.

4.5 Secretary. The Secretary (or any Assistant Secretary) of the Corporation shall be a confidential employee of the Corporation elected by the Board at any meeting of the Corporation and shall hold office at the pleasure of the Board. Except for the Chief Executive Officer and the Chief Financial Officer, any of the Corporate Officers of the Corporation may

serve as Secretary (or as an Assistant Secretary) and perform the duties of the Secretary (or Assistant Secretary) as directed by the Chairperson or the Chief Executive Officer in writing and filed with the minutes of the Corporation. Any confidential employee of the Corporation may serve as an Assistant Secretary. The Secretary shall be responsible for keeping minutes and records of the Board shall have custody of the seal of the Corporation and shall affix and attest the seal of the Corporation to all documents required or necessary for the transaction of the business of the Corporation. In addition, the Secretary and each other officer or employee acting as an assistant secretary shall perform all the other duties as may be, from time to time, assigned by the Chairperson or Chief Executive Officer, incident to such position and office or as directed by any resolution adopted by the Board.

4.6 Chief Operating Officer. The Chief Operating Officer shall assist the Chairperson and the Chief Executive Officer and, subject to the general guidance and direction of the Chief Executive Officer, shall have administrative responsibility with respect to marketing, facilities, information technology and ancillary health care services of the Corporation and shall perform all the other duties as may be, from time to time assigned by the Chairperson or the Chief Executive Officer.

4.7 Senior Vice President for Medical Affairs. The Senior Vice President for Medical Affairs shall be a physician and shall also be the Medical Director of the Corporation. He or she shall assist the Chairperson and the Chief Executive Officer and, subject to the general guidance and direction of the Chief Executive Officer, shall supervise and have charge of all clinical/academic/research programs and personnel employed by the Corporation in such programs and of the Medical Staffs of the Health Facilities owned, leased and operated by the Corporation and shall be responsible for the maintenance of high quality standards of medical

practice thereat. In addition, the Senior Vice President for Medical Affairs shall perform all the other duties as may be, from time to time, assigned by the Chairperson or Chief Executive Officer, incident to such position and office or as directed by any resolution adopted by the Board.

4.8 Senior Vice President for Nursing. The Senior Vice President for Nursing shall assist the Chairperson and the Chief Executive Officer and subject to the general guidance and direction of the Chief Executive Officer shall supervise and oversee all nursing activities, clinical and academic nursing programs, personnel involved in in-patient and out-patient nursing services and shall be responsible for the maintenance of high quality standards of nursing practice at the Health Facilities. In addition, the Senior Vice President for Nursing shall perform all the other duties as may be, from time to time, assigned by the Chairperson or Chief Executive Officer, incident to such position and office or as directed by any resolution adopted by the Board.

4.9 Senior Vice President for Legal Affairs. The Senior Vice President for Legal Affairs shall also have the title of Counsel and shall be the Chief Legal Officer of the Corporation. He or she shall assist the Chairperson and the Chief Executive Officer and, subject to the general guidance of the Chief Executive Officer and, in his absence, the Chairperson, shall establish and promulgate legal directives with respect to the Corporation's activities and shall advise the officers and directors as to all legal matters relating to the administration, operations and financing of the Corporation and as to the laws governing the Corporation. In addition, the Counsel shall perform all the other duties as may be, from time to time, assigned by the Chairperson or Chief Executive Officer, incident to such position and office or as directed by any resolution adopted by the Board.

4.10 Senior Vice President for Extended Care. The Senior Vice President for Extended Care shall assist the Chairperson and the Chief Executive Officer and, subject to the general guidance and direction of the Chief Executive Officer, shall supervise and oversee all nursing home or extended care activities and shall be responsible for the maintenance of high quality standards at any nursing home facility owned, operated, managed or overseen by the Corporation. In addition, the Senior Vice President for Extended Care shall perform all the other duties as may be, from time to time, assigned by the Chairperson or Chief Executive Officer, incident to such position and office or as directed by any resolution adopted by the Board.

4.11 Administrative Officers and Positions. The Chief Executive Officer may from time to time designate new or additional titles, including but not limited to Senior Vice President, Vice President, and Executive Director, and may appoint persons to fill such administrative positions. Any persons appointed to such positions shall be considered administrative officers of the Corporation, shall have such powers and duties as may be assigned to them from time to time by the Chief Executive Officer, and shall serve at the pleasure of the Chief Executive Officer. Despite their administrative titles, however, such persons shall not be Corporate Officers of the Corporation.

## ARTICLE V

### Committees

5.1 Establishment of Committees. The Board of Directors, may, from time to time, establish Standing Committees of the Board, each consisting of three or more Directors, and each of which, to the extent provided in such resolution or in these Bylaws, shall have all of the authority of the Board of Directors which lawfully may be delegated to such a committee. Except as otherwise provided in these Bylaws, the Board shall designate the members of each Standing Committee of the Board at the Annual or other meeting of the Board. Standing Committee members shall serve for one-year terms or until their successors are designated. Members of all Standing Committees shall serve at the pleasure of the Chairperson. The Chairperson shall be a member of all Standing and Special Committees of the Board. By virtue of their office, the Chairperson and the Chief Executive Officer shall be members of all Committees of the Corporation.

(a) The Board may create such Special Committees of the Board as it may deem desirable. Such committees shall have only the powers specifically delegated to them by the Board.

(b) Committees other than Standing or Special Committees of the Board created by the Board shall be Committees of the Corporation. The members of Committees of the Corporation need not be Directors.

(c) There shall exist an Executive Committee, a Compensation Committee, a Legal and Audit Compliance Committee, an Ambulatory Care Committee, a Facilities Committee, a Finance Committee, an Extended Care Committee, a Governance Committee and a Medical and Professional Affairs Committee as Standing Committees of the Board. Such

Standing Committees shall have such powers, duties and responsibilities as may be prescribed by these Bylaws or the Board. The other Committees and Sub-committees provided for in this Article V shall be considered Special Committees of the Board or Committees of the Corporation. Special Committees and Committees of the Corporation will have no authority of the Board but may advise on matters within their specified areas of concern, but the naming and description of such committees does not require them to consider or advise on all such matters. Each Committee of the Board shall serve at the pleasure of the Board, which may create new committees or eliminate or combine any or all of the committees or sub-committees provided for in this Article V, subject to any required appropriate amendments to this Article V.

5.2 Meetings of Committees. Each Standing or Special Committee of the Board, and each Committee of the Corporation, may adopt its own rules of procedure consistent with these Bylaws. In the absence of a contrary provision in rules adopted by a committee, the following rules shall apply. Committees may meet either regularly at stated times or specially on written notice, given by the chairperson or vice chairperson of such committee or members constituting not less than one-third of the full membership of such committee, at least six days in advance thereof by mail, or one day in advance by telegraph, telephone, facsimile transmission, electronic mail or personal delivery to all members thereof or on such other notice as the committee or the Board in creating such committee may determine. Notice of any meeting need not be given to any member, however, if waived by such member before or after the meeting in writing. No notice need be given of any meeting to any member who attends such meeting without protesting prior to such meeting or at the commencement thereof the lack of notice of such meeting. Standing Committees shall keep regular minutes of their proceedings, reflecting business conducted, including findings, conclusions and recommendations, and shall report such minutes

to the Board when required. Special Committees and Committees of the Corporation shall keep such minutes and prepare such reports as may be required or as they determine are appropriate for matters on which they advise. Except as otherwise expressly required by law or by these Bylaws or unless otherwise determined by the Board, a majority of the members of a committee shall constitute a quorum and the action of a majority of those present at a meeting which a quorum is present shall be the act of the committee. No committee other than the Executive Committee, the Compensation Committee, Finance Committee or the Legal and Audit Committee shall commit the Corporation to any obligation, course of conduct or procedure unless such obligation, course of conduct or procedure is expressly delegated to such committee in these Bylaws or duly authorized by the Board.

5.3 Telephonic Participation in Meetings. Any one or more of the Members of a Committee shall be permitted to participate in a meeting of such committee by means of a conference telephone or similar communication equipment allowing all persons participating in the meeting to hear each other at the same time. Provided, however, participation by such means shall not constitute presence in person at a meeting for purposes of establishing a quorum.

5.4 Executive Committee. Between meetings of the Board, the Executive Committee shall have and may exercise all of the authority of the Board, except as limited by applicable federal or New York State law, any provision of these By-laws or any resolution of the Board. The Executive Committee shall consist of not less than five (5) independent Board members.

5.5 Legal and Audit Committee. The Legal and Audit Committee shall recommend to the Board the retaining of a certified independent accounting firm, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm retained for such purposes. The Legal and



Audit Committee shall receive audit reports, review and consult with management on audit findings, including both internal audits and audits by independent public accountants, and on internal audit controls. It shall oversee and meet with responsible members of management and staff on legal, corporate and regulatory compliance policies and matters, including the Corporation's conflict of interest policy and corporate compliance program. It shall develop recommendations to the Board regarding policies on protection of whistleblowers and false claims recoveries. The Legal and Audit Committee shall develop recommendations to the Board regarding the Corporation's indemnification policies and have oversight regarding all insurance held by the Corporation or any of the entities it operates, including the appropriate coverage levels and issues related to the offshore captive insurance program. It shall also develop recommendations to the Board regarding the employees' Deferred Compensation Plan. The Legal and Audit Committee shall oversee legal matters related to malpractice or other claims, and the Corporation's relationships with outside counsel. The Legal and Audit Committee is to be comprised of independent members. To the extent practicable, members of the Committee should be familiar with corporate financial and accounting practices.

5.6 Finance Committee. The Finance Committee shall review and make recommendations to the Board regarding the Corporation's proposed operating and capital budgets. The Finance Committee shall review the interim unaudited financial statements of the Corporation, including the interim unaudited financial statements of the offshore captive insurance program. The Finance Committee shall also make recommendations to the Board regarding investment policies. The Finance Committee shall also make recommendations to the Board with respect to comprehensive property disposal guidelines, including the appointment of a contracting officer, and shall oversee the implementation of the Corporation's property

disposal guidelines. The Finance Committee will also oversee and make recommendations to the Board regarding the Corporation's procurement and contracting policies, including compliance with requirements governing activities of persons or firms who may lobby the Corporation regarding its procurement transactions. Consistent with these By-Laws and policies adopted by the Board, the Finance Committee shall have the authority to approve directly certain transactions.

5.7 Medical and Professional Affairs Committee. The Medical and Professional Affairs Committee shall oversee and make recommendations to the Board regarding matters affecting the Corporation's performance improvement and patient safety activities, policies and programs, including the Corporation's annual Performance Improvement and Patient Safety Plan and malpractice prevention program. It shall interface with the Medical Staff, management and, if appropriate, the Board, regarding any material issues that arise related to Medical Staff relations and professional graduate medical education, and appointments, reappointments and non-appointments to the Medical Staff or disciplinary actions against a member of the Medical Staff. It shall also make recommendations to the Board with regard to amendments of the Medical Staff By-Laws. The Medical and Professional Affairs Committee shall meet at least quarterly in joint conference with the Joint Conference/Professional Affairs Committee of the Medical Staff and shall consult with management, non-Board committees and councils and other staff with responsibility for the Corporation's performance improvement and patient safety policies and programs. It shall review performance improvement and patient safety-related reports and make recommendations to the Board regarding the applicable policies and programs. At least one member of the Medical and Professional Affairs Committee who is not otherwise affiliated with the Corporation in an employment or contractual capacity shall serve as a member

of the Performance Improvement Coordinating Group of the Medical Staff. The Medical and Professional Affairs Committee shall conduct its activities so as to ensure that the confidentiality of any non-public records, reports or other materials and information related to any of its activities, whether generated by the Committee or another source is in accordance with applicable law professional standards.

5.8 Ambulatory Care Committee. The Ambulatory Care Committee shall oversee and make recommendations to the Board regarding the community health centers operated by the Corporation and the services provided in them on behalf of the Corporation. In such capacity, it may study and develop recommendations related to the needs of the populations served by the Corporation, the sponsorship of focused health initiatives for such populations, and community outreach, as well as any other topic relevant to such activities.

5.9 Compensation Committee. The Compensation Committee shall conduct annual reviews of the employment contracts and compensation of the Chief Executive Officer and senior management and report to the Board the results of such reviews. The Compensation Committee shall also make recommendations to the Board regarding the Corporation's policies on the payment of compensation, adjustments to compensation, and reimbursement to the Chief Executive Officer and senior management of the Corporation, as well as time and attendance requirements for the Chief Executive Officer and senior management. The Compensation Committee is to be comprised of independent members.

5.10 Extended Care Committee. The Extended Care Committee shall oversee and make recommendations to the Board regarding the Corporation's extended care services, including, but not limited to, the A. Holly Patterson Extended Care Facility. In such capacity, the Extended Care Committee may study and develop recommendations related to the extended

care needs of the populations served by the Corporation, as well as any other topic relevant to such facilities.

5.11 Facilities Committee. The Facilities Committee shall oversee and make recommendations to the Board regarding real property acquisitions, divestitures, and leases, as well as expansions, renovations and/or new construction of facilities. In such capacity, it may conduct, as appropriate, examinations of the need for and/or feasibility of any such action and/or the availability of appropriate property. At its discretion, it may, in conjunction with responsible management and staff, conduct reviews of the Corporation's existing facilities to determine the current and future needs for such facilities, including, but not limited to, needs related to normal repairs and maintenance.

5.12 Governance Committee. The Governance Committee shall review and keep the Board informed of current best governance practices. It shall make recommendations to the Board for any amendments to the Corporation's By-laws. It shall review corporate governance trends and be responsible for and, when appropriate, update the Corporation's corporate governance principles. The Governance Committee shall make recommendations to the Board regarding the Corporation's Code of Ethics and the Corporation's policies on attendance at Board meetings and training of Board members. It shall advise the parties responsible for appointing the Corporation's Board members on the skills and experiences required of potential Board members. It shall make recommendations to the Board about the creation of and delegation of duties to Board Committees. The Governance Committee is to be comprised of independent members.

5.13 Other Committees. The Board may create such other committees as it deems appropriate.

## ARTICLE VI

### **Funds and Property**

6.1 Gifts and Endowments. The Board shall establish the conditions under which the Corporation shall accept contributions, devises and bequests from donors and the terms for the commemoration of any such gifts through the establishment of endowments or otherwise. Nothing herein is intended to limit the ability of any of the Corporation's affiliates to establish the conditions under which they may accept contributions from donors and the terms for the commemoration of any such gifts.

6.2 Deposit of Funds. The Board shall select banks or depositories as it shall deem proper for the funds of the Corporation. The Board shall determine who shall be authorized on behalf of the Corporation to sign checks, drafts or other orders for the payment of money, acceptances and notes or other evidences of indebtedness.

6.3 Investments. The funds of the Corporation may be invested and reinvested from time to time in such property, real , personal or otherwise, or stocks, bonds or other securities, as the Board may deem desirable, provided that such funds may be maintained uninvested, as the Board may deem advisable.

6.4 Contracts. Deeds, mortgages, contracts, leases and other instruments relating to the property of the Corporation or under which the Corporation may incur liability may be signed in the name of the Corporation by the Chairperson, the Chief Executive Officer, or any other Corporate Officer authorized to sign such instrument by the Board.

## ARTICLE VII

### **Indemnification and Insurance**

7.1 Indemnification. The Corporation shall defend, indemnify and save harmless its employees (as “employee” is defined in Section 18(1)(b) of the Public Officers Law) to the full extent authorized or permitted by Section 18 of the Public Officers Law (being Chapter 277 of the Laws of 1981) or by any other applicable law. Section 18 of the Public Officers Law, as amended from time to time, is incorporated by reference herein as if fully set forth. The Corporation makes the agreements required by Section 2(b) of Section 18 of the Public Officers Law and is authorized to provide insurance as permitted by Section 8 of Section 18 of the Public Officers Law.

7.2 Insurance. The Corporation will insure or otherwise provide for the insurance of the Corporation’s property or operations and also contract against such other risks as the Corporation may deem advisable.

## **ARTICLE VIII**

### **Amendments**

These By-Laws may be repealed or amended by the Corporation at any duly called regular or special meeting of the Corporation, provided, however, that any motion to repeal or amend these By-Laws shall not be adopted until the same has laid on the table until the next succeeding regular meeting.

## ARTICLE IX

### Miscellaneous

9.1 Books and Records. The Corporation shall keep correct and complete books and records of account and minutes of the proceedings of the Board and any committee thereof.

9.2 Annual Audit. Following the close of each fiscal year of the Corporation, a firm of certified public accountants selected by the Board shall audit the balance sheet of the Corporation at the end of such fiscal year and the statement of operations of the Corporation for such fiscal year and shall submit a report on their examination of such financial statements to the Board.

9.3 Actions as Shareholder or Sole Member of Affiliates. Any actions which may be taken by the Corporation as a shareholder or the sole member of any other corporation shall be deemed to have been validly taken if either; (i) taken without a meeting in the form of a written consent, setting forth the actions to be taken, signed in the name of the Corporation by either the Chairperson, the Chief Executive Officer, or another Corporate Officer or by any other signatory authorized to sign such consent by the Board; or (ii) taken by valid action of the Executive Committee.

9.4 Conflicts of Interest.

(a) A conflict of interest may exist when a member of the Board or an employee of the Corporation has the opportunity to influence the Corporation's business or other decisions in ways that could lead to personal gain or advantage of any kind for such person or any of his or her family or associates. A member of the Board or an employee of the Corporation may have a conflict of interest when he or she or any of his or her family or associates (to his or her present



knowledge) either (i) has an existing or potential financial or other material interest which could influence or might appear to influence the individual's independent judgment in the discharge of responsibilities to the Corporation; or (ii) may receive a financial or other material benefit from knowledge of information confidential to the Corporation or from a transaction involving the Corporation. The family of an individual includes his or her spouse, parents, siblings, children and any other blood relative if the latter resides in the same household. An associate of an individual includes any person, trust, corporation, partnership or other organization or enterprise (of a business nature or otherwise) with respect to which the individual or any member of his or her family (i) is a director, officer, employee, member, partner or trustee; or (ii) has a significant financial interest or any other interest which enables him or her to exercise control or significantly influence policy of the associate.

(b) The Corporation shall adopt and implement appropriate policies and procedures designed to effectuate disclosure of actual or potential conflicts of interest and appropriate responses thereto.

## **ARTICLE X**

### **Medical Staff**

#### **10.1 Appointment; Qualification; Term; Accountability; etc.**

The Board shall appoint a Medical Staff (the “Medical Staff”) and clinical department chairpersons for such Medical Staff shall be composed of practitioners who are graduates of recognized medical, dental, podiatric or other graduate schools. The Board shall see that such practitioners are organized into responsible administrative units, and that there are adopted such bylaws, rules and regulations for governance of their practice in the Corporation's Health Facilities as the Board shall approve and deem to be of greatest benefit to the care of patients and to the furtherance of medical education and training, medical research and community health (the “Medical Staff Bylaws”). Members of the Medical Staff designated by the Board shall be invited to attend all regular meetings of the Board, without vote.

The Board shall appoint new members of the Medical Staff after considering the recommendations of the current members of the Medical Staff in accordance with the written procedures established in these Bylaws and the Medical Staff Bylaws, and shall ensure: (i) that written criteria are implemented for the selection, appointment and reappointment of Medical Staff members and for delineation of their professional privileges, which criteria shall include standards for individual character, competence, training, experience, judgment and physical and mental capabilities; (ii) that no person shall be entitled to membership on the Medical Staff or be granted professional privileges at the Corporation solely on the basis of such person's certification, fellowship or membership in a professional organization, society or body; and (iii) that actions taken on applications for Medical Staff appointments and reappointments, including delineation of privileges, are put in writing.

(b) All appointments to the Medical Staff shall be for a term not exceeding two (2) years. The reappointment process shall be as set forth in the Medical Staff Bylaws.

(c) The Medical Staff is accountable to the Board for the medical care rendered to patients of the Corporation's Health Facilities. As such, the Medical Staff is responsible to ensure that all members of the Medical Staff are properly assessing, caring for and treating patients and that the clinical care rendered is appropriate and consistent with professionally recognized standards. In fulfilling its responsibilities, the Medical Staff will make specific recommendations to the Board relating to the organization of the Medical Staff performance improvement activities as well as the process designed for conducting, evaluating and revising such activities which are consistent with the Corporation-wide performance improvement program. The Board holds the Medical Staff responsible for making recommendations to the Board concerning matters pertaining to medical staff governance, patient care, performance improvement, initial staff appointments and reappointments and the assignment, curtailment or termination of clinical privileges.

(d) There shall be established an Executive Committee of the Medical Staff, the composition of which shall be set forth in the Medical Staff Bylaws. The ECMS shall be empowered to represent and act on behalf of the Medical Staff and coordinate the activities of its various clinical departments. The ECMS shall be responsible to the Board for the conduct of the medical affairs of the Corporation. The ECMS shall provide formal liaison with and consider and recommend action to the Chief Executive Officer, the President and the Board on all matters of a medico-administrative nature, shall act for the Medical Staff in matters relating to the Medical Staff's accountability to the Board for the medical care rendered to the patients of the Corporation, and shall have such other duties and responsibilities as are specified in these

Bylaws and in the Medical Staff Bylaws. The ECMS shall consist of the persons identified as voting and non-voting members thereof in the Medical Staff Bylaws.

(e) The Board shall appoint a Medical Director for each Health Facility of the Corporation. The Medical Directors shall perform the functions required by Section 405.4 of the New York State Hospital Code with respect to each of the Corporation's Health Facilities, which functions will be carried out through the activities of the ECMS.

(f) Departments. The Medical Staff shall be divided into such divisions, departments, groups and classes with such titles as may from time to time be determined in accordance with the Medical Staff Bylaws.

(g) Department Heads. It shall be the duty of the heads of the clinical and related departments of the Corporation, and those designated by them, to prescribe and direct the treatment of all patients under their care, subject to the Medical Staff Bylaws.

(h) All care and treatment of patients in all departments and divisions of the Corporation shall be the responsibility of the Medical Staff. The Medical Staff shall remain responsible to the Board for the quality of care rendered to patients. Only an appropriately licensed practitioner with clinical privileges shall be directly responsible for a patient's diagnosis and treatment within the area of his/her privileges. Members of the graduate staff shall be under direct supervision by a licensed practitioner with clinical privileges. Other professional personnel shall be under direct supervision by the Department Chairman or department director, as the case may be, of the clinical department to which they are assigned. Practitioners duly appointed to the Medical Staff shall have full authority and responsibility for the care of individual patients, subject to such limitations as the Board may impose and subject further to the

Bylaws, Rules and Regulations of the Medical Staff. Each patient admitted to the Corporation's Health Facilities shall receive a baseline history and physical examination.

10.2 Medical Staff Bylaws, Rules and Regulations.

(a) Bylaws, rules and regulations for the Medical Staff setting forth its organization, responsibilities and governance may be adopted and amended by the ECMS, in accordance with the relevant provisions of the Medical Staff Bylaws. The Medical Staff Bylaws will be subject to approval by the Board, and shall become effective when approved by the Board. Where changes are required to bring the Medical Staff Bylaws into compliance with the requirements of applicable statutes, regulations, standards of accrediting agencies and/or the Certificate of Incorporation or Bylaws of the Corporation, as determined by the Board, the ECMS shall consider such changes as are proposed by the Board at its next regularly scheduled meeting or at a special meeting called for such purpose after reasonable notice from the Chief Executive Officer. If, notwithstanding the determination by the Board, the ECMS fails to recommend the approval of the required changes to the reasonable satisfaction of the Board, the Medical Staff Bylaws shall nevertheless be deemed amended to the extent necessary to bring them into compliance with requirements of the applicable statutes, regulations, standards of accrediting agencies and/or the Bylaws or any charter instrument of the Corporation. The Medical Staff Bylaws shall contain appropriate requirements for the observance by each member of the Medical Staff (including but not limited to members of the Graduate Staff and other categories of the Medical Staff) of the ethical principles of his or her profession.

10.3 Employee Practitioners. Practitioners employed by the Corporation either full-time or part-time with clinical responsibilities shall be members of the Medical Staff, subject

to the Medical Staff Bylaws, and they shall achieve this status by the same procedure as is provided for other members of the Medical Staff.

10.4 Hearing and Appellate Review Procedures. The provisions of the article of the Medical Staff Bylaws captioned "Corrective Action," are hereby incorporated by reference into these Bylaws and shall be appended to these Bylaws as an attachment. In the event that a Medical Staff member who has clinical privileges at more than one of the Corporation's Health Facilities shall have such privileges limited, reduced, suspended or revoked (whether on a temporary, summary or permanent basis) at such Health Facilities in accordance with the procedures for "Corrective Action " as set forth in the Medical Staff Bylaws, then such practitioner's clinical privileges at the other Health Facilities shall be immediately so limited, reduced, suspended or revoked (whether or not the practitioner has had an opportunity to contest such action in accordance with the procedures of the Health Facilities originating such action). Such Medical Staff member shall not have any hearing and appellate review procedural rights at the other Health Facility with respect to such adverse action and all of his or her hearing and appellate review procedural rights shall reside at the Health Facility which initially took the adverse action and shall be in accordance with the Medical Staff Bylaws. Upon the reinstatement of any of such Medical Staff member's clinical privileges at the Health Facility which originated such action, his or her clinical privileges shall be so reinstated at the other Facility.

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As amended:

January 25, 2010