



May 29, 2014

**MEMBER BALLOT**

**BYLAWS AMENDMENTS TO PERMIT ELECTION OF DIRECTORS BY BALLOT**

**PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED ENVELOPE  
NO LATER THAN 5:00 P.M. ON JUNE 23, 2014.**

*Please indicate your vote (“Yes” or “No”) on the enclosed ballot, write your name and sign the ballot in the places indicated, and return the ballot in the enclosed envelope by 5:00 p.m. on June 23, 2014.*

***What are we asking for?*** ValleyCare Health System (whose formal legal name is The Hospital Committee For The Livermore-Pleasanton Areas) is asking for your approval of proposed amendments to its corporate bylaws to permit members to vote in the annual election of directors by ballot, without attending the annual members’ meeting. The specific changes presented for your approval are set forth on the enclosed Attachment A.

***Why are we asking for this?*** Currently, the Bylaws permit members to take any action by written ballot without a meeting, except the election of directors. In the past, the annual election of directors has therefore been held at the annual members’ meeting. Only those personally in attendance at the meeting could vote. The board of directors wishes to encourage members to participate in the election of directors by allowing them to vote by written ballot even if they are unable to attend the annual meeting. This requires amendments to the Bylaws. The Board is seeking your approval of the amendments.

***Where is the ballot for the election of directors?*** This ballot is just to amend the Bylaws to allow the members to elect directors by ballot. If the members approve these Bylaw amendments in this ballot, you will receive a separate ballot for the election of directors. We expect to mail that ballot on June 24, 2014.

***What will happen if the members do not approve these amendments?*** If the members do not approve these amendments, the members will elect the directors at the annual meeting, as in the past. However, only those members personally present at the meeting will be able to vote.

***Will ValleyCare still hold an annual meeting?*** Yes. If the directors are elected by ballot, ValleyCare will still hold its annual members’ meeting. The results of the board election will be announced at the meeting, and other information will be presented to the members.

***Questions?*** If you have any questions, please contact Deborah McKeehan at 925-437-4000 or email Deborah at boardadmin@valleycare.com.

**INSTRUCTIONS:**

- A ballot is enclosed, with a business reply envelope. Please indicate your vote (“Yes” or “No”) on the ballot, write your name and sign the ballot in the places indicated, and return the ballot in the enclosed envelope by 5:00 p.m. on June 23, 2014. Once your ballot is received by the Corporation it cannot be revoked.
- Attachment A to the ballot contains excerpts from the sections of the bylaws that would be modified by the proposed amendments. Attachment B contains copies of other provisions that are referred to in the amendments, but that are not being changed. These are provided to help you understand the effect of the proposed amendments. You can obtain a complete copy of the current bylaws by emailing boardadmin@valleycare.com.
- Each member of the Corporation is entitled to one vote. Once you have reviewed the proposed amendments, please indicate whether you approve or disapprove of the changes by checking “Yes” if you approve, “No” if you do not approve. Please also write and sign your name in the space provided on the ballot.
- In order to achieve a quorum, 121 members must cast ballot votes. If a quorum is achieved, a simple majority (i.e., more than 50%) of the votes cast will be required in order to approve these bylaws amendments.



**MEMBER BALLOT: BYLAWS AMENDMENTS TO PERMIT ELECTION OF DIRECTORS**  
**BY BALLOT**

The undersigned member of ValleyCare Health System (whose formal legal name is The Hospital Committee For The Livermore-Pleasanton Areas) hereby casts his/her ballot, as indicated below, on the proposal to amend the corporation's Bylaws as set forth on Attachment A to this ballot:

- Yes, I approve of the proposed amendments
- No, I do not approve of the proposed amendments

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Member's Name (please print)

Date: \_\_\_\_\_

*Please don't forget to sign and write your name.*

Your vote will be cast in accordance with your choice as indicated above. If you do not indicate a choice, you vote will be treated as withheld.

**To be counted, ballots must be returned to the following address no later than 5:00 p.m. on June 23, 2014.**

ValleyCare Health System  
Attn: Marketing Department  
1111 E Stanley Blvd.  
Livermore, CA 94550

Please use the enclosed business reply envelope.

**ATTACHMENT A**  
To Ballot On  
Proposed Amendments to the Bylaws of  
The Hospital Committee For The Livermore-Pleasanton Areas  
Doing Business As  
ValleyCare Health System (The “Corporation”)

The provisions of the Bylaws of the Corporation set forth below shall be amended by the addition of the words shown below as bold and double-underlined, and the deletion of the words shown as struck-through:

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6.7 Annual Meeting. An annual meeting of members shall be held in July of each year at a time and place designated by the board of directors. At the meeting, directors shall be elected (**unless they are elected without a meeting pursuant to Section 6.16 or Section 6.17**) and other proper business may be transacted, subject to the provisions of these bylaws. For so long as these bylaws authorize a quorum of less than one-third of the members, then the only matters which may be voted upon at any annual meeting actually attended by less than one-third of the members are matters the general nature of which were described in the notice of the meeting.

6.16 Action Without Meetings. Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members. Any action ~~except election of directors~~ that members may take at any meeting of members may also be taken without a meeting by complying with Section 6.17 of these bylaws.

7.5 Selection and Term of Office; Nominating Committee. Directors shall be elected **either at each the annual meeting of the members of the corporation or, annually, by action taken without a meeting pursuant to Section 6.16 or Section 6.17 of these bylaws; provided that if directors are to be elected by ballot pursuant to Section 6.17, the return date for ballots shall be the date of the annual meeting.** In addition to nominations made by the nominating committee described in Section 7.3 above, nominations may be made by a petition signed by 25 or more members and delivered to the secretary of the corporation at least 60 days before the annual meeting. Each director shall serve until a successor has been elected and qualified. No director who has served three consecutive three-year terms shall be eligible to serve as a director until that director has been off the board for at least one year.

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## ATTACHMENT B

The following provisions of the bylaws are not being amended, but are provided for reference because they are referred to in the amended provisions:

Section 6.17 Solicitation of Written Ballots. This corporation shall distribute one written ballot to each member entitled to vote on the matter. The ballots shall be mailed or delivered in the manner required for the mailing of meeting notices. All solicitations of votes by written ballot shall (a) state the number of responses needed to meet the quorum requirement; (b) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (c) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (x) set forth the proposed action; (y) give the members an opportunity to specify approval or disapproval of each proposal; and (z) provide a reasonable time in which to return the ballot to the corporation. If the corporation has 100 or more members, any written ballot distributed to 10 or more members shall provide that, subject to reasonable specified conditions, if the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification.

In any election of directors, a written ballot that a member marks “withhold,” or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

Approval by written ballot shall be valid only when (a) the number of votes cast by ballot (including ballots that are marked “withhold” or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action and (b) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

A written ballot may not be revoked.

All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records for at least three years.