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AMENDED AND RESTATED OPERATING AGREEMENT
OF
WEST PENN ALLEGHENY FOUNDATION, LLC
A Pennsylvania Limited Liability Company

**THE INTERESTS REPRESENTED BY THIS AGREEMENT
HAVE NOT BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933, AS AMENDED (THE "ACT")
OR ANY STATE SECURITIES LAW, AND MAY NOT BE
OFFERED FOR SALE, SOLD, OR OTHERWISE
TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE
REGISTRATION STATEMENT UNDER THE ACT OR
APPLICABLE STATE SECURITIES LAWS OR AN
EXEMPTION FROM REGISTRATION THEREUNDER.**

Effective as of _____

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AMENDED AND RESTATED OPERATING AGREEMENT

OF

WEST PENN ALLEGHENY FOUNDATION, LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") is entered into and is effective as of the _____ (the "**Effective Date**"), by **West Penn Allegheny Health System, Inc.** a Pennsylvania non-profit corporation, as the initial member (the "**Initial Member**"), and any other Persons becoming new or substitute Members of the Company as provided for herein.

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WITNESSETH:

WHEREAS, the Initial Member has organized West Penn Allegheny Foundation, LLC (the "**Company**" or the "**LLC**") as a Pennsylvania limited liability company to engage in any and all lawful acts or activities that support ~~the~~ West Penn Allegheny Health System, Inc. and its controlled charitable Affiliates; and

WHEREAS, the Initial Member wishes to set forth in this Agreement the provisions for the purposes, management and operation of the Company.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, and intending to be legally bound hereby, the parties hereto agree as follows.

ARTICLE 1

DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms (whether or not capitalized) shall have the meanings specified below unless the context clearly requires otherwise.

1.1 Act. "Act" means the Pennsylvania Limited Liability Company Law of 1994, as amended from time to time, or any successor act.

1.2 Affiliate. "Affiliate" means, with reference to any Person, any partner, officer, director, shareholder, trustee, employee or agent of such Person or any Person directly or indirectly controlling, controlled by or under common control with such Person, or any Person who is a member of the family of any such partner, officer, director, shareholder, trustee, employee or agent, or a trustee or beneficiary of any trust for the benefit of any such Person or any such partner, officer, director, shareholder, employee or agent or any such family member.

1.3 Assign and Assignment. "Assign" means, with respect to any interest in the Company, to offer, sell, assign, transfer, give, pledge, encumber or otherwise dispose of, whether voluntarily or involuntarily or by operation of law. "Assignment" means any of the foregoing transactions involving a Member's interest in the Company.

1.4 Authorized Representative. "Authorized Representative", solely for purposes of Article 8 hereof, shall have the meaning ascribed to such term in Section 8.9(g).

1.5 Bankruptcy. "Bankruptcy" means, with respect to any Member, when (a) such Member shall (i) admit in writing its inability to pay its debts generally as they become due, (ii) commence a voluntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (iii) make a general assignment for the benefit of its creditors, (iv) consent to the appointment of a receiver for itself or any substantial part of its property, (v) consent to the relief sought in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or (vi) take any action in furtherance of any of the aforesaid purposes; or (b) a court of competent jurisdiction shall enter an order, decree or order for relief (i) in respect of such Member in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) appointing without the consent of such Member a receiver for such Member or for a substantial part of its property, or (iii) approving commencement of an involuntary proceeding filed against such Member under any applicable law now or hereafter in effect seeking the winding up or liquidation of its affairs, which order, decree or order for relief shall not have been vacated or set aside or stayed within sixty (60) days from the date of entry thereof.

1.6 Board. "Board" means the Board of Managers established in accordance with Section 8.2 hereof.

1.7 Capital Account. "Capital Account" means the individual account maintained by the Company with respect to each Member as provided in Section 6.2 hereof.

1.8 Capital Contribution. "Capital Contribution" means the amount of money and/or the fair market value of other property contributed to the Company by a Member pursuant to Article 5 hereof. The fair market value of contributed property shall be the value as agreed to by the contributing Member and the Board, net of liabilities assumed by the Company or to which the property is subject, determined consistently with Code Section 752(c).

1.9 Certificate of Organization. "Certificate of Organization" means the Certificate of Organization ~~filed pursuant to the Act; as such Certificate of Organization may be corrected, amended, modified or restated from time to time, as provided for herein.~~ of the Company as filed with the Secretary of State of the Commonwealth of Pennsylvania on May 3, 2004, as amended from time to time.

1.10 Code. "Code" means the Internal Revenue Code of 1986, as amended from time to time. References to sections of the Code or to Treasury Regulations promulgated hereunder shall include the applicable provisions of any succeeding law or regulation.

1.11 Exempt Duty. "Exempt Duty" means the duties and obligations of a Member as an organization described in Section 501(c)(3) of the Code. With respect to the Initial Member, "Exempt Duty" means the obligation of the System to operate exclusively for charitable, scientific and educational purposes by supporting and managing a regional health care system, supporting educational, research, and scientific activities relating to the health of the residents in

western Pennsylvania, and supporting the System hospitals by providing central management and operational services and access to capital.

1.12 Majority or other Percentage in Interest. "Majority in Interest" or other specified percentage in interest, when used with reference to the Members, means, at any given time, those Members who hold Units that in the aggregate exceed fifty percent (50%), or equal or exceed another specified percentage, of the Unit's held by all the Members.

1.13 Manager. "Manager" means any member of the Board of Managers.

1.14 Member. "Member" means (i) West Penn Allegheny Health System, Inc. and (ii) any other Person admitted to the Company as a new or substituted Member in accordance with the provisions of this Agreement, but does not include any Person who has ceased to be a Member. Each Member must meet the requirements of all applicable laws, be admitted in accordance with the terms of this Agreement and be an organization that qualifies for exemption under Section 501(c)(3) of the Code.

1.15 Member Duty. "Member Duty" means the duties and obligations of any Member under this Agreement or applicable law.

1.16 Percentage Interest. "Percentage Interest" means as to any Member, a fraction (expressed as a percentage), the numerator of which is the number of Units held by such Member and the denominator of which is the number of Units held by all Members.

1.17 Person. "Person" means a natural person, a partnership, a corporation, a limited liability company, a trust, an estate, an unincorporated association, or any other entity.

1.18 System. "System" means a nonprofit regional health care system governed by [UPE], including the West Penn Allegheny Health System, Inc. and, as required by the content, its controlled A its controlled A affiliates.

1.19 [UPE]. "[UPE]" means [UPE], a Pennsylvania nonprofit corporation.

1.20 [UPE Provider Subsidiary]. "[UPE Provider Subsidiary]" means [UPE Provider Subsidiary], a Pennsylvania nonprofit corporation.

1.21 Unit. "Unit" is the measure of an economic interest in the Company.

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ARTICLE 2

FORMATION; NAME; PRINCIPAL PLACE OF BUSINESS

2.1 Formation. The Company has been formed as a limited liability company pursuant to the provisions of the Act.

2.2 Name. The name of the Company is "West Penn Allegheny Foundation, LLC".

2.3 Principal Place of Business and Registered Office. The registered office and principal place of business of the Company shall be located at 320 East North Avenue, Pittsburgh, PA 15212, or such other place as the Board may from time to time determine.

ARTICLE 3

PURPOSES AND POWERS

3.1 Purposes.

(a) The Company has been formed as a limited liability company pursuant to the provisions of the Act. The initial purpose and business of the Company is to purchase, finance or lease equipment for resale or release to the System or, on behalf of the System, to controlled charitable Affiliates thereof, and to engage in such other lawful activities as may be in furtherance of or incidental to such purpose. Unless all the Members agree otherwise, and subject to the reserved powers of UPE as set forth in this Agreement, the Company shall not engage in any other business.

(b) Notwithstanding anything contained herein to the contrary, the Company is organized for the purposes set forth in Section 501(c)(3) of the Code and to support the System, its Initial Member and its controlled affiliates, said Initial Member being ~~which is a~~ Section 501(c)(3) organization qualifying as an organization described in Section 509(a)(1) of the Code, or any tax-exempt successor to its interest hereunder. More particularly, the Company is organized to support the Initial Member System in furthering its Exempt Duty. The Company will operate at all times in a manner consistent with the charitable, scientific, educational or other tax-exempt purpose of the Initial Member or any tax-exempt successor to its interest hereunder. All Members of the Company shall at all times qualify for exemption under Section 501(c)(3) of the Code. Upon the admission of any additional Members pursuant to the terms of this Agreement, then ~~the Board and the Members shall amend the~~ Certificate of Organization and this Agreement shall be amended to provide for the support of such additional Members.

3.2 Powers.

(a) Reserved Powers of Initial Member.

(i) For so long as such rights and powers do not result in the revocation of the Company's status as an organization described in Section 501(c)(3) of the Code, the Initial Member shall have the right and power to make recommendations to [UPE Provider Subsidiary] and [UPE] with respect to actions by [UPE Provider Subsidiary] and [UPE] on the matters reserved to [UPE Provider Subsidiary] and [UPE] under Sections 3.2(b) and 3.2(c) of this Operating Agreement. [UPE Provider Subsidiary] and [UPE] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Initial Member; and

(ii) The Board of Directors of the Initial Member shall have plenary authority with regard to the following:

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a. To determine the number of managers that will comprise the Board of Managers of the Company and its subsidiaries;

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b. To elect the Managers of the Company and the Managers of its subsidiaries; and

c. To remove any of the Managers of the Company and any of the managers of its subsidiaries, and to replace such Managers for the unexpired portion of his or her term.

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(b) Reserved Powers of [UPE Provider Subsidiary]:

The [UPE Provider Subsidiary] shall have the right and power to make recommendations to [UPE] with respect to actions by [UPE] on the matters reserved to [UPE] under Section 3.2(c) of this Operating Agreement. [UPE] shall have no obligation to approve any such recommendations, and [UPE] may take actions that have not been recommended by, or that are contrary to recommendations of, [UPE Provider Subsidiary].

(c) Reserved Powers of [UPE]:

(i) To approve the election, re-election and removal of all officers, including the President, of the Company and its subsidiaries;

(ii) To amend, revise or restate the Company's Certificate of Organization and Operating Agreement and approve all amendments or revisions to the Company's Certificate of Organization and Operating Agreement that may be proposed or approved by [UPE Provider Subsidiary], the Member or Board of Managers of the Company; provided however, that [UPE] shall have no power to amend, revise or restate Section 3.2(a)(ii) or this proviso of Section 3.2(c)(ii) of this Agreement, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Initial Member that are elected by UPE to serve as Directors of the Initial Member, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Initial Member's Bylaws) of the Initial Member, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31, 2011, among [UPE], [UPE Provider Subsidiary], Highmark Inc., West Penn Allegheny Health System, Inc., Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Company or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Company or any of its subsidiaries;

(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Company or its subsidiaries, (b) consolidate or merge the Company or its subsidiaries with another entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Company's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions

that may be proposed by [UPE Provider Subsidiary], the Member or the Board of Managers of the Company before such action becomes effective:

(vi) To approve the annual consolidated capital and operating plan and budget of the Company and its subsidiaries, and any amendments thereto or significant variances therefrom;

(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrence of debt by the Company and its subsidiaries or the making of capital expenditures by the Company and the subsidiaries during any fiscal year of the Company, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Company and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Company's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(viii) To approve any donation or any other transfer of the Company's or its subsidiaries' assets, other than to the Member or to the Company by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Company's or its subsidiaries' approved budgets;

(ix) To approve strategic plans and mission statements of the Company and its subsidiaries;

(x) To approve investment policies of the Company and its subsidiaries;

(xi) To approve the closure or relocation of a licensed healthcare facility of the Company and its subsidiaries;

(xii) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to approve the formation of subsidiaries, partnerships and joint ventures or to make investments in existing subsidiaries, partnerships and joint ventures, if the new investments of the Company and the subsidiaries in such subsidiaries, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Company's consolidated total assets at the end of the prior fiscal year of the Company;

(xiii) Subject to Section 7.5(j) and 7.6 of the Affiliation Agreement, to approve the dissolution of subsidiaries, partnerships and joint ventures of the Company and the subsidiaries, if the aggregate value of the ownership interests of the Company and the subsidiaries in such subsidiaries, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Company's consolidated total assets at the end of the prior fiscal year of the Company;

(xiv) To establish and manage the Company's program for compliance with all legal requirements applicable to the Company, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Company; and

(xv) To select and appoint auditors and to designate the fiscal year of the Company and the subsidiaries.

3.3 Except as may otherwise be provided by the Nonprofit Corporation Law or the Act, [UPE] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Company and the subsidiaries on such matters. Any action taken in this regard by [UPE] shall be sufficient to finally approve and adopt such actions and no action of the Board of Managers, Member, [UPE Provider Subsidiary] or other governing body or officer with respect to such action shall be necessary with respect hereto.

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ARTICLE 4

TERM OF THE COMPANY

The term of the Company commenced on the filing of the ~~Certificate~~Certificate of Organization on May 3, 2004 and will continue unless and until terminated pursuant to Article 11 hereof.

ARTICLE 5

CAPITAL CONTRIBUTIONS

5.1 Capital Contributions. The Members shall make the Capital Contributions to the Company in return for a proportional number of Units. ~~As of the Effective Date, the~~ amount and characterization of Capital Contribution and the issued and outstanding Units held by the Initial Member are set forth on Exhibit A attached hereto and incorporated herein by reference, which may be amended from time to time.

5.2 Additional Capital Contributions and Additional Members.

(a) The Board, with the prior approval of [UPE] and the Members owning at least two-thirds all of the issued and outstanding Units, is authorized to issue additional Units to any Member, and to Persons who are not existing Members, in such amounts and for such Capital Contribution as the Board, with the approval of [UPE] and the Members owning at least two-thirds all of the issued and outstanding Units, may determine, and to admit them to the Company as a Member.

(b) No Member shall be required to make any additional contributions to the capital of the Company or, without the consent of [UPE], ~~the Board and the Members,~~ permitted to make any such contributions.

5.3 Loans. The Members or their Affiliates may advance money to the Company in such amounts and proportions, and upon such repayment terms, as the Board may approve. Amounts so advanced shall be considered as loans to the Company and shall bear interest at such fair market rate, and be repaid upon such terms and conditions, as may be agreed upon by [UPE] the Board and the lender.

5.4 No Interest on Capital Contributions. No Member shall be paid interest on any Capital Contribution, provided that loans to the Company pursuant to the Initial Member's System's Capital Contribution commitment and made as described in Section 5.3 shall (a) bear interest at fair market rates as shall be acceptable to the Initial Member [UPE] System and the Company and (b) be subject to and comply in all respects with the provisions of Section 3.18(d) of the Amended and Restated Master Indenture of Trust dated as of July 1, 2000, between the Initial Member, System, et al., and Chase Manhattan Trust Company, National Association.

5.5 No Withdrawal or Demand for Return of Contribution. No Member shall be entitled to ~~dissoeiate~~disassociate (*i.e.* withdraw) from the Company or withdraw any part of such Member's Capital Contribution or receive any distributions from the Company except as provided by this Agreement. No Member or Manager shall be liable to any other Member for the return of any Member's Capital Contribution. No Member shall have the right to demand and receive any distribution from the Company in any form other than cash.

5.6 Title to Property. Legal title to all property owned by the Company shall be held in the name of the Company. Each Member waives any claim of title to such property or any right to partition Company property. Such waiver shall not affect the treatment of property of the Company as that of the Members for tax purposes to the extent permitted and contemplated by Section 7.5 hereof and the Code.

5.7 Obligations Limited. The trades or businesses of the Company shall, subject to the limitations contained in Article 3 and elsewhere in this Agreement with respect to their purposes, be conducted independently of those of the ~~System or its Members or their~~ Affiliates. The obligations of the Company which may now or hereafter incurred pursuant to this Agreement or otherwise, including without limitation obligations for borrowed funds, leases, asset acquisitions or other contracts (for purposes of this Section "Company Obligations") shall be solely obligations of the Company, and no Member or other Person except the Company shall have any duty, obligation or liability in respect of any Company Obligation, notwithstanding that property owned, leased or operated by the Company may be used or useful in such Member or other Person's trade or business. Recourse on such Company Obligations shall be limited to assets owned by the Company and shall exclude recourse against the assets of any Member or other Person.

ARTICLE 6

DISTRIBUTIONS AND ALLOCATIONS

6.1 Distributions.

(a) The Board shall have the sole discretion as to the amounts and timing of distributions to Members, subject to the retention of, or payment to, third parties of such funds as they shall deem necessary with respect to the reasonable business needs of the Company, which shall include (but not by way of limitation) the payment or the making of provision for the payment when due of Company obligations. No Member shall have any right to demand or to receive any distributions from the Company in any form.

(b) Distributions, including liquidating distributions, shall be made to the Members in proportion to their respective Percentage Interests.

6.2 Capital Accounts; Allocations of Profits or Losses. The Company shall be treated as a disregarded entity for Federal and Pennsylvania tax purposes, and the Company covenants that it shall execute and file all instruments, documents and agreements and such information as the Internal Revenue Service and the Pennsylvania Department of Revenue shall require in order that such status be recognized by such agencies and shall remain in effect throughout the term of this Agreement.

If the Company is not treated as a disregarded entity for Federal tax purposes, a separate Capital Account shall be maintained for each Member in accordance with the Regulations promulgated under Section 704(b) of the Code. Except as otherwise required under the Code, the Company's profits and losses for each fiscal year shall be allocated to the Members in proportion to their Percentage Interests.

ARTICLE 7

FISCAL MATTERS; RECORDS AND REPORTS; COMPANY FUNDS

7.1 Fiscal Year. ~~The Company's fiscal year shall end on June 30th.~~ The fiscal year of the Company shall end on such day as shall be fixed by [UPE].

7.2 Books and Records. The Company shall keep, or cause to be kept, complete and accurate: books and accounts of all operations of the Company in accordance with generally accepted accounting principles consistently applied. The books and records shall be kept at the principal office of the Company or at such other location as may be designated by the Board. All Members shall have reasonable access to the accounting and other records of the Company during regular business hours, by appointment, and may review, audit and copy the records, and may make reasonable inquiries as to the Company's affairs.

7.3 Tax Matters Partner. If the Company is not treated as a disregarded entity for Federal tax purposes, ~~the Initial Member will serve as the~~ the Board will designate a tax matters member (the "Tax Matters Member"). The Tax Matters Member shall have the responsibility of a tax matters partner specified under the Code. The Company shall reimburse the Tax Matters Member for all expenses reasonably incurred in connection with its duties hereunder.

7.4 Company Funds. The funds of the Company shall be deposited in such banks or other institutions as the Board shall determine, and all debts and obligations of the Company shall be paid by check, except petty expense items. Checks shall be drawn on a Company account for Company purposes only, and shall require such signatures as the Board may from time to time determine.

7.5 Tax Elections. The Company shall be treated as a disregarded entity for Federal tax purposes. If the Company is not treated as a disregarded entity, either as a result of an election adopted through a resolution of the Members or otherwise, then all tax elections available to the Company for Federal, state or local tax purposes shall be made by the Tax Matters Member.

ARTICLE 8

MANAGEMENT

8.1 Management by Board. The business and affairs of the Company shall be managed by or under the direction of the Board and the Board shall have the exclusive authority to make all decisions regarding the Company and its business, to exercise all powers of the Company and to do all such lawful acts and things as are not by law or this Agreement directed or required to be exercised or done by [UPE], [UPE Provider Subsidiary] or the Members. Each of the Managers shall have those duties as are customarily possessed by directors of a Pennsylvania nonprofit corporation, ~~including, without limitation~~ subject to Section 3.2 of this Agreement;

~~(a) — provide overall direction and supervision of the business and affairs of the Company;~~

~~(b) — to elect and remove the officers of the Company;~~

~~(c) — to enter into, make, and perform contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and to make all decisions and waivers thereunder;~~

~~(d) — to open and maintain bank and investment accounts and arrangements, draw checks and other orders for the payment of money, and designate individuals with authority to sign or give instructions with respect to those accounts and arrangements;~~

~~(e) — to maintain the assets of the Company in good order;~~

~~(f) — to collect sums due the Company;~~

~~(g) — to the extent that funds of the Company are available therefore, pay debts and obligations of the Company;~~

~~(h) — to acquire, utilize for Company purposes, and dispose of any asset of the Company;~~

~~(i) — to borrow money or otherwise commit the credit of the Company for Company activities and voluntary prepayments or extensions of debt;~~

~~(j) — to select, remove, and change the authority and responsibility of lawyers, accountants, and other advisers and consultants;~~

~~(k) — to obtain insurance for the Company;~~

~~(l) — to determine distributions of Company cash and other property; and~~

~~to establish a seal for the Company.~~

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8.2 Board of Managers.

(a) The Board of Managers shall consist of such number of persons as the Board of Directors of the Initial Member may determine, but in no case less than five (5) members, excluding the *ex officio* Directors. The following persons shall serve as *ex officio* Managers of the Company with vote:

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(i) President and Chief Executive Officer of the Initial Member, or the designee of the President and Chief Executive Officer of the Initial Member who shall be a member of senior management of the Initial Member;

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(ii) President of the Company; and

(iii) Board Chairperson of the Initial Member, or the designee of the Board Chairperson of the Initial Member who shall be a director of the Initial Member .

In the event that any individual holds multiple *ex officio* positions such individuals shall have one vote. The full Board shall consist of three (3) persons, with any increase or decrease to be determined from time to time by a resolution of the Members. At each annual meeting of the Members, ~~†~~The Managers shall be elected to serve for one year terms until the annual meeting of the Members or until their his or her successors are is duly elected and qualified, or until his or her death, resignation or removal. If designees are selected to serve on the Board of Managers in accordance with this Section 8.2(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as managers as set forth herein, such designees shall be automatically removed from the Board with no further action being required on the part of any person.

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~~(a)~~(b) The Board may hold regularly scheduled, periodic meetings without notice at such times and places as the Board shall decide. Special meetings (a) may be called by the President and (b) shall be called by the President or Secretary on the written request of a majority of the Board. Notice of each special meeting shall be given, either personally or as hereinafter provided, to each ~~Director~~Manager at least 24 hours before the meeting.

~~(b)~~(c) The President shall act as the presiding officer at the Board meetings (or such other person as designated by the Board) and shall designate a person to take the minutes of the meeting. One or more of the Managers may participate in a meeting of the Board by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

~~(e)~~(d) Each Manager shall be entitled to cast one vote on all matters. At all meetings of the Board of Managers, the presence of at least two (2) Managers shall be necessary and sufficient to constitute a quorum for the transaction of business. If a quorum is not present at any meeting, the meeting may be adjourned from time to time by a majority of the Managers present, until a quorum is present; but notice of the time and place to which such meeting is adjourned shall be given to any Manager not present on at least the day prior to the date of reconvening. Resolutions of the Board shall be adopted, and any action of the Board at a

meeting upon any matter shall be taken and be valid, only with the affirmative vote of a majority of the Board of Managers.

~~(d)~~(e) Any Manager may resign by submitting his or her resignation to the other Managers, which (unless otherwise specified therein) need not be accepted to make it effective and shall be effective immediately upon its receipt by any other Manager. A Manager who becomes ineligible to serve as such shall be deemed to have resigned at that time.

~~(e)~~(f) The entire Board or any individual Manager may be removed from office at any time without assigning any cause, ~~only~~ by the vote of ~~the Members or the Board of Directors of the Initial Member.~~ In case the Board or any one or more Managers are so removed, new Managers may be elected by the Board of Directors of the Initial Member in accordance with this Agreement. ~~at the same meeting in accordance with this Section 8.2.~~

~~(f)~~(g) Vacancies in the Board shall be filled by the Board of Directors of the Initial Member ~~the Members~~ and each person so elected shall serve out the vacant term and until his or her successor is elected by the Board of Directors of the Initial Member. ~~be a Manager until his or her successor is elected by the Members; such election may be made at the next annual meeting of the Members or at any special meeting duly called for the purpose and held prior thereto.~~

~~(g)~~(h) Managers, as such, shall not receive any stated salary for their services, but by resolution of the Board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, that, nothing herein contained shall be construed to preclude any Manager from serving the Company in any proper capacity and receiving compensation therefore.

~~(h)~~(i) Any action required or permitted to be taken at a meeting of the Managers may be taken without a meeting, if, prior or subsequent to the action, a consent or consents in writing setting forth the action so taken is signed by all of the Managers.

~~(i)~~(j) Persons who are not Managers but who are eligible to serve as Managers may attend meetings of the Board, without vote, subject to the right of the Board to place reasonable limits and restrictions on the number of such persons in attendance and the extent of their participation.

8.3 Limitations on the Authority of the Board.

(a) ~~The~~ In addition to and subject to the reserved powers set forth in Section 3.2 of this Agreement, the Board may not cause the Company to do any of the following without the approval of ~~the Members owning at least two-thirds (2/3) of the issued and outstanding Units and [UPE]:~~

- (i) sell, transfer, assign or otherwise dispose of all or substantially all the business or assets of the Company;
- (ii) merge, consolidate or affiliate with any other entity;

(iii) materially change the scope or type of services provided by the Company;

(iv) approve the annual operating budgets for the Company;

(v) except as may relate to the operating budget for the Company and except for loans made as part of a Member's Capital Contributions, create or incur indebtedness (A) which does not exclude recourse against the Members in the event of a default; (B) which exceeds \$200,000, or such other amount as established by Members owning at least two-thirds (2/3) of the issued and outstanding Units, from time to time, or (C) if such individual indebtedness is less than said amount, such indebtedness which, when added to the aggregate unpaid balance of all of the Company's outstanding indebtedness (excluding indebtedness related to the Company's start up) causes the Company's aggregate indebtedness to exceed \$250,000, or such other amount as established by Members owning at least two-thirds (2/3) of the issued and outstanding Units, from time to time;

(vi) except as may relate to the operating budget of the Company or as may be involved thereafter in ordinary repairs, maintenance and replacement, make any capital expenditures or any capital additions or improvements requiring the payment of more than \$200,000 for any one capital item, or such other amount as established by Members owning at least two-thirds (2/3) of the issued and outstanding Units, from time to time; or

(vii) amend, restate or terminate this Agreement or the ~~Certificate~~Certificate of Organization.

(b) The Board may not engage or take any other action or task which requires the consent of the Members [UPE Provider Subsidiary] or [UPE] by virtue of any other provision of this Agreement, the Certificate of Organization or by resolutions enacted by the Board or the Members from time to time.

8.4 Time Devoted to Company; Other Permissible Activities. The Managers shall devote such time to the Company's business as they deem necessary for the effective conduct of the Company's business. Nothing in this Agreement shall preclude the employment, at the expense of the Company, of any agent or third party to manage or provide other services with respect to the Company's business, subject to the control of the Board. The Managers, Members and their respective Affiliates may engage in or possess any interest in other business ventures of any kind, nature or description, independently or with others, whether such ventures shall be competitive with the Company or otherwise. The Company shall not have any rights or obligations by virtue of this Agreement or the relationship created hereby in or to such independent ventures or the income or profits or losses derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Company, shall not be deemed wrongful or improper. No Member, Manager or officer or any Affiliate of any of the foregoing, shall be obligated to present any particular business opportunity to the Company, even if such business opportunity shall be of a character which, if presented to the Company, could be taken by the Company, and each Member, Manager and officer and any of their Affiliates shall have the right to take for his or its own account (individually or as a trustee, partner or fiduciary) or to recommend to others any such particular opportunity.

8.5 Limitation on Liability. No Manager shall be personally liable, as such, for any action taken unless: (a) such Manager breached or failed to perform the duties of his or her office and (b) the breach or failure to perform constituted self dealing, gross negligence, willful misconduct or recklessness. The foregoing shall not apply to any responsibility or liability under a criminal statute or liability for the payment of taxes under Federal, state or local law.

8.6 Day-to-Day Management. The Members hereby authorize the Board to employ the services of such employees or contract personnel as the Board determines appropriate to manage the day-to-day operations of the Company. All such persons shall serve ~~at the pleasure of the Board and~~ in accordance with the terms of this Agreement.

8.7 Election of Officers. Officers shall be elected and removed by the Initial Member, subject to the approval of [UPE]. ~~The Board shall designate a President, Treasurer and Secretary, and such other officers and assistant officers as the Board determines appropriate, to whom it shall delegate authority appropriate with respect to such positions. Each such officer shall report to the Board.~~ Each office shall be held for a term of one (1) year, which term shall be automatically extended for subsequent one (1) year terms until a successor has been duly elected and qualified by the Board. ~~An officer may be removed by the Board or [UPE] with or without cause.~~ Any officer may resign at any time with prior, written notice to the Initial Member and [UPE]. ~~the Board.~~ Any vacancy may be filled by the Initial Member, subject to the approval of [UPE]. ~~the Board.~~ ~~The President may, however, fill vacancies in any office designated by the Board for the period ending upon the date when such vacancy is filled by the Board.~~

8.8 General Powers and Limitations of the Officers. Subject to the limitations of this Agreement with respect to actions required to be taken by the Members, ~~or the Board~~ [UPE Provider Subsidiary] or [UPE], the officers shall have ~~those~~ duties as are customarily possessed by such officers of a Pennsylvania nonprofit corporation, including, without limitation, those duties set forth below, except as such duties may be limited or expanded by action of the Board. Officers under this Agreement shall be deemed "Managers" for purposes of 15 Pa. C.S.A. § 8945 regarding limited liability, but shall not, by virtue of this sentence, have any of the authority of the "Managers" under or within the meaning of the Act.

(a) **President** — The President shall be responsible for overseeing the affairs of the Company and shall preside at all meetings of the Board.

(b) **Secretary** — The Secretary shall make or cause to be made minutes of all meetings of the Board. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Board, shall affix the corporate seal at the direction of the President and, generally, will perform all duties incident to the office of secretary and such other duties as may be required by law, by the ~~Certificate~~ Certificate of Organization or by this Agreement, or which may be assigned from time to time by [UPE] or the Board.

(c) **Treasurer** — The Treasurer shall supervise the financial activities of the Company. Specifically, the Treasurer shall see that (a) full and accurate accounts of receipts and disbursements are kept, (b) a system is in place such that all monies and other valuable effects are deposited in the name and to the credit of the Company, (c) the Managers at the regular

meetings of the Board or whenever they may require it, receive an account of the financial condition of the Company and (d) an annual audit of the Company's books and records is performed by an auditor selected by the Board. In performing these functions, the Treasurer may rely on employees of the Company or any Affiliate corporation who possess special financial training and skills and whose employment responsibilities include management of the Company's financial affairs.

8.9 Indemnification.

(a) The Company shall indemnify and hold harmless, to the fullest extent now or hereafter permitted by law, each Member, Manager and officer acting on behalf of or at the direction of the Company from and against any and all damages, losses, costs and expenses (including reasonable attorney's fees) resulting from or relating in any way to any action taken or omitted to be taken, in good faith, by such Member, Manager or officer in connection with the business or affairs of the Company, except that they shall not be indemnified in respect of any damage, loss, cost or expense incurred by reason of self dealing, gross negligence, recklessness, or willful misconduct, liability under a criminal statute or liability for the payment of taxes under Federal, state or local law.

(b) The Company may, as determined by the Board from time to time, indemnify and hold harmless, to the fullest extent now or hereafter permitted by law, any other Authorized Representative (as defined in Section 8.9(g)) acting on behalf of or at the direction of the Company from and against any and all damages, losses, costs and expenses⁵ (including reasonable attorney's fees) resulting from or relating in any way to any action taken or omitted to be taken, in good faith, by such Person in connection with the business or affairs of the Company, except that they shall not be indemnified in respect of any damage, loss, cost or expense incurred by reason of self dealing, gross negligence, recklessness, or willful misconduct, liability under a criminal statute or liability for the payment of taxes under Federal, state or local law.

(c) Costs and expenses incurred in defending or responding to any legal action may be advanced by the Company to the Authorized Representative who is the subject thereof in advance of the final disposition of such action, upon receipt of an undertaking by the Authorized Representative seeking such advance to repay such amount if it shall ultimately be determined that such Authorized Representative is not entitled to be indemnified pursuant to this Section 8.9.

(d) For the purposes of this Section, the determination that any Authorized Representative has engaged in self-dealing, acted with gross negligence, recklessness or willful misconduct may be made by the court or other body before which the relevant action, proceeding or investigation is pending. In the absence of a determination by such court or other body, such determination shall be made by independent legal counsel in a written legal opinion to the Company.

(e) Notwithstanding anything contained herein to the contrary, indemnification under this Section shall not be made by the Company ~~in~~ any case where a court determines that the alleged act or failure to act giving raise to the claim for indemnification is

expressly prohibited by the Act or any applicable law in effect at the time of such alleged action or failure to take action.

(f) Each Authorized Representative shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Section. The rights of indemnification and advancement of expenses provided by this Section shall not be deemed exclusive of any other rights to which any Person seeking indemnification or advancement of expenses may be entitled under any agreement, statute or otherwise, both as to action in such Person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a Person who has ceased to be an Authorized Representative of the Company and shall inure to the benefit of the heirs and personal representatives of such person. Indemnification and advancement of expenses under this Section shall be provided whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Company. Any repeal or modification of this Section shall not adversely affect any right or protection existing at the time of such repeal or modification to which any person may be entitled under this Section.

(g) For purposes of this Section "Authorized Representative" shall mean a Member, Manager, officer or employee of the Company or of any Affiliate of the foregoing or the Company, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Company or by any corporation controlled by the Company, or Person serving another corporation, partnership, joint venture, trust¹ or other enterprise in any of the foregoing capacities at the request of the Company. The term "Authorized Representative" shall not include agents of the Company unless indemnification thereof is expressly approved by the Board. For purposes of this Section only, references to "Company" shall include all constituent limited liability companies, corporations or other entities absorbed in a consolidation, merger or division, as well as the surviving or new limited liability companies, corporations or other entities surviving or resulting therefrom, so that (i) any Person who is or was an Authorized Representative of a constituent, surviving or new limited liability company, corporation or other entity shall stand in the same position under the provisions of this Section with respect to the surviving or new limited liability company, corporation or other entity as such Person would if such Person had served the surviving or new corporation or other entity in the same capacity and (ii) any Person who is or was an Authorized Representative of the Company shall stand in the same position under the provisions of this Section with respect to the surviving or new corporation or other entity as such Person would with respect to the Company if its separate existence had continued.

(h) The provisions of this Section shall survive the termination or expiration of this Agreement for any reason.

ARTICLE 9

RIGHTS AND OBLIGATIONS OF THE MEMBERS

9.1 Liability of Members.

(a) No Member shall have any personal liability with respect to the debts, liabilities or obligations of the Company of any kind or for the acts of any Member, Manager, agent or employee of the Company, except (i) as otherwise required by the Act, or (ii) to the extent that such Member expressly and voluntarily assumes in writing any obligations of the Company; and

(b) No Member shall be personally liable or obligated, except as otherwise required by the Act, either (i) to pay to the Company, any other Member or any creditor of the Company any deficiency in the Member's Capital Account, or (ii) to return to the Company or to pay any creditor or any other Member the amount of any return of the Member's Capital Contribution or any other distribution made to the Member.

9.2 Voting Rights and Meetings of Members.

(a) Each Member owning Units shall be entitled to one vote for each Unit registered in such Member's name pursuant to this Agreement in all matters to which Members are entitled to vote hereunder or under the Act. No Member shall be entitled to vote as a class with respect to any matter. No Member and no class or group of Members shall be entitled to any express or implied appraisal or dissenters' rights of any kind whatsoever under any circumstances whatsoever.

(b) An annual meeting of the Members shall be held each year within four (4) months before or after the end of the fiscal year on such day and at such time as the Board may designate. Other meetings of the Members for any purpose may be called by [UPE], the Board or any Member. Meetings shall be held at the principal office of the Company, or at such other place as may be designated by [UPE], the Board or, if called by a Member, as designated by such Member.

(c) Unless a different notice is required by the Act, a notice of a meeting shall be given either personally or by ~~mail~~mail, not less than one (1) day nor more than sixty (60) days before the date of the meeting, to each Member at its record address, or at such other address which it may have furnished in writing to the Company. Such notice shall be in writing, and shall state the place, date and hour of the meeting, and shall indicate that it is being issued by or at the direction of [UPE], the Board or Members calling the meeting. The notice may state the purpose or purposes of the meeting. If a meeting is adjourned to another time or place, and if any announcement of the adjournment of time or place is made at the meeting, it shall not be necessary to give notice of the adjourned meeting.

(d) The presence in person of all of the Members shall constitute a quorum at all meetings of the Members; provided, however, that if there be no such quorum, holders of a Majority in Interest of such Members so present may adjourn the meeting from time to time without further notice, until a quorum shall have been obtained.

(e) No notice of the time, place or purpose of any meeting of Members need be given to any Member who attends in person (except when a Member attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business on the ground that the meeting is not lawfully called or convened), or to any Member entitled to such notice who, in writing, has executed and filed with the records of the meeting, either before or after the time thereof, waiver of such notice.

(f) Each Member shall be entitled to cast one vote for each Unit it owns at a meeting, in person or by a signed writing directing the manner in which it desires that its vote be cast, which writing must be received by a Manager designated² by the Board for such purpose (or the Member calling the meeting) prior to such meeting.

(g) Any Member may attend by means of conference telephone or similar communication equipment by means of which all Persons participating in the meeting can hear each other.

(h) Resolutions shall be adopted by the affirmative vote of a Majority in Interest of the Members unless a greater percentage is required herein or by law.

9.3 Voting Rights of Members. The Members shall be entitled to vote only on those matters (a) specified (i) In this Agreement or (ii) under nonwaivable provisions of the Act as subject to the vote of such Members or (b) which the Board elects to submit to them.

9.4 Action by Written Consent. Any action permitted or required by the Act, the ~~Certificate~~Certificate of Organization or this Agreement to be taken by the Members at a meeting may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by all of the Members.

9.5 Actions by Initial Member. Where the act of the Initial Member is required under the Act or this Agreement, the Initial Member may act through its board of directors, any board committee of its board of directors, or any authorized officer of the Initial Member. The Initial Member shall, as appropriate, act by executing and delivering to the Board or the President of the Company a written instrument signed by an officer of the Initial Member setting forth the action taken by its board, board committee or authorized officer.

ARTICLE 10

ASSIGNMENT OF A MEMBER'S INTEREST

10.1 Restrictions on Assignment.

(a) No Member (or assignee of a Member) may Assign all or any part of its interest in the Company, including economic and non-economic rights, to any Person at any time without the prior, written approval of all the Members and compliance with the other terms, conditions and provisions of this Agreement. Any purported Assignment of an interest in the Company that violates this Article 10 shall not be recognized by the Company.

(b) Provided the requirements of Section 10.1(a) are met, when a Member's interest in the Company is transferred, the Member's successor shall immediately be vested with all of the Member's rights, authority and power as a Member of the Company.

(c) In the event that a Member's interest is taken or distributed by levy, foreclosure, charging order, execution or other similar proceeding, the Company shall not dissolve, but the assignee of said Member's interest shall be entitled to no more than to receive distributions if and when made as provided herein; and profits and losses attributable to the Member's interest in the Company, in accordance with this Agreement, and in no event shall said assignee have the right to interfere with the management or administration of the Company's business or affairs or to vote or to become a substituted Member except as may otherwise be provided herein.

10.2 Permitted Assignments. Notwithstanding anything contained herein to the contrary, the following Assignments are hereby permitted provided that any such Assignments comply with applicable law, the assignee qualifies for exemption under Section 501(c)(3) of the Code, and the assignment shall not adversely affect the Company's status as a disregarded entity under the Code.

(a) any Member may Assign all or a portion of its interest in the Company to the other Members on a pro rata basis based on the other Members' Percentage Interest in the Company; and

(b) the Initial Member may Assign all or a portion of its interest in the Company to an Affiliate.

10.3 Admitted Members; Rights of Assignee. A Person that is permitted to become a Member hereunder shall agree in writing, in form satisfactory to the Board, to be bound by this Agreement as a Member. The number of Units offered to new members and the value of the Capital Contribution by such new members, if any, shall be determined conclusively by the Board at the time immediately prior to such admission. An assignee who does not become a Member (for example, by way of a Bankruptcy) shall be entitled to receive distributions of cash or other property or allocations from the Company attributable to the interest Assigned and shall receive the tax information, but shall have no right to any other information or accounting or to inspect the Company's books and records and shall not be entitled to any other right of a Member under the Act or this Agreement.

ARTICLE 11

DISSOLUTION

11.1 Dissolution.

(a) The Company shall be dissolved, and shall terminate and wind-up its affairs, upon the first to occur of the following:

(i) the Board and the Members owning at least two-thirds (2/3) of the issued and outstanding Units vote to dissolve the Company; or

(ii) entry of a decree of judicial dissolution of the Company under Section 8972 of the Act.

11.2 Effect of Dissolution. Upon the dissolution or liquidation of the Company, after paying or making provision for payment of all of the known liabilities of the Company, any remaining assets of the Company shall be transferred to the Initial Member, or its successor, provided that the Initial Member or such successor is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution or liquidation of the Company, the Initial Member, or its successor, is not in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the Company shall be distributed to [UPE Provider Subsidiary], or its successor, provided that [UPE Provider Subsidiary] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Company, both the Initial Member and [UPE Provider Subsidiary], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Company shall be distributed to [UPE], or its successor, provided that [UPE] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Company, each of the Initial Member, [UPE Provider Subsidiary] and [UPE], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Company may be distributed to (a) such one or more companies, trusts, funds or other organizations which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and, in the sole judgment of the Company's Board of Managers, have purposes similar to those of the Company or (b) the federal government, or to a state or local government for such purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more of such companies, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, and which are organized and operated for such purposes, or to the federal government or to a state or local government for such purposes. No private individual shall share in the distribution of any Company assets upon dissolution or sale of the assets of the Company.

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11.3 No Dissolution Events. Neither the death, insanity, bankruptcy, retirement, resignation, expulsion or dissolution of a Member, or any other action or event affecting a Member, shall result in the dissolution of the Company.

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11.2 Reconstitution Of Company. In the event the Company shall be dissolved pursuant to Section 11.1(a)(ii) above, the Members who have not been the cause of such dissolution shall have the right, upon a vote of not less than all of such Members after notice of such dissolution, by a declaration in writing and delivered to the Members, to reconstitute the Company, creating a new Company, under all of the terms and conditions of this Agreement, with the interest of the affected Member reallocated among the remaining Members.

11.3 Liquidation and Distribution. On the dissolution of the Company, the Board shall act as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of

liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Board.

11.4 Termination. Upon the completion of the liquidation of the Company and the distribution of all Company funds, the Company shall terminate. The establishment of any reserves as required by the Act or as determined by the liquidator shall not have the effect of extending the term of the Company.

11.5 Charitable Purpose. Notwithstanding anything contained herein to the contrary, in the event of the dissolution of the Company or in the winding up of its affairs, or other liquidation of its assets, the Company's property shall not be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property; all assets remaining after all debts and expenses of the Company have been paid or provided for shall be conveyed or distributed by the Board to the Members in accordance with their Percentage Interests provided such Members then qualify as an organizations described in Section 501(c)(3) of the Code; provided further that in the event any such Member does not so qualify then to one or more organizations recognized as exempt under Section 501(c)(3) of the Code and having purposes similar to those of this Company as determined by the Board of this Company. Any such assets not so distributed shall be disposed of pursuant to an order by a court of competent jurisdiction, exclusively for such purposes or to such organization or organizations, as said court shall determine.

ARTICLE 12

AMENDMENTS

~~Except as otherwise required by law, this Agreement and the Certificate may be amended only by agreement of Members owning at least two-thirds (2/3) of the issued and outstanding Units and the Board as set forth in~~ This Agreement may be altered, amended or repealed, or a new Agreement may be adopted only pursuant to the prior approval of [UPE], except as expressly set forth in Section 3.2(c)(ii) of this Agreement, ~~as prescribed by Sections 3.2(e) and Section 8.3 hereof.~~

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.1 Illegality. If in the reasonable opinion of counsel for any Member, applicable health care or other laws, or the interpretation thereof, prohibit the transactions contemplated by this Agreement, then the Members shall be required to act in good-faith to restructure the business arrangement between the Members to conform with the applicable laws or the requirements of any federal state and/or local governmental agency.

13.2 Tax-Exempt Status. Notwithstanding any other provision in this Agreement, a Member's Member Duty is hereby expressly subordinated to its Exempt Duty. Each Member hereby acknowledges that in the event of any conflict between a Member's Member Duty and Exempt Duty, the Member shall observe its Exempt Duty and such course or course of action

shall not breach this Agreement or give rise to any liability for the Member for breach of its Member Duty. The Members intend that this Agreement shall not adversely affect any Member's status as an organization described in Section 501(c)(3) of the Code and they agree to interpret this Agreement in accordance with such intent. In the event the Internal Revenue Service shall inform a Member or legal counsel for the Member that this Agreement threatens the status of the Member as an organization described in Section 501(c)(3) of the Code, then upon the written request of the Member, the Members shall be required to act in good faith to modify this Agreement in order to cure the threat.

13.3 Contracts and Negotiable Instruments. Except as otherwise provided by law or this Agreement, any contract or other instrument relative to the business of the Company may be executed and delivered in the name of the Company and on its behalf by the President; and the Board may authorize any other officer or agent of the Company to enter into any contract or execute and deliver any contract in the name and on behalf of the Company, and such authority may be general or confined to specific instances as the Board may by resolution determine. All bills, notes, checks or other instruments for the payment of money shall be signed or countersigned by such officer, officers, agent or agents and in such manner as are permitted by this Agreement and/or as, from time to time, may be prescribed by resolution (whether general or special) of the Board. Unless authorized so to do by this Agreement or by the Board, no officer, agent or employee shall have any power or authority to bind the Company by any contract or engagement, or to pledge its credit, or to render it liable pecuniarily for any purpose or to any amount.

13.4 Notices. All notices or other communications required or permitted to be given or made hereunder shall be in writing and shall be deemed to be delivered when given either personally or by sending a copy by certified, registered or express mail, postage prepaid, or by telegram (with messenger service specified) or courier service, charges prepaid, or by confirmed telecopier transmission, to the party being given such notice at its last known address (or telecopier number) or, in the case of the Managers, supplied by them to the Company for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the Person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that Person or, in the case of telecopy, when dispatched. The address shown on a Member's signature page shall be considered a Member's last known address unless the Member shall otherwise notify the other parties in the manner set forth in this Section. All notices to the Company shall be addressed to the Company's principal place of business unless the Members are otherwise notified.

13.5 Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the Commonwealth of Pennsylvania.

13.6 Execution in Counterparts. This Agreement may be executed in one or more counterparts, and in such event each such counterpart shall constitute an original and all of such counterparts shall constitute one agreement.

13.7 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns.

13.8 Entire Agreement. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of such parties in connection herewith.

13.9 Severability. Any provision of this Agreement which is invalid, illegal or unenforceable in any respect shall not affect the validity, legality or enforceability of the remaining provisions hereof.

13.10 Execution of Additional Documents. Upon the request of the Board or liquidator, each Member shall promptly execute all certificates and other documents necessary or desirable for the Board or liquidator to accomplish all such filings, recordings, publications and other acts as they determine may be appropriate to comply with the requirements of the formation, operation, amendment, or dissolution, as the case may be, of a limited liability company under the laws of Pennsylvania in accordance with this Agreement.

13.11 Headings. The headings in this Agreement are inserted for convenience and identification only and shall not control or affect the meaning of any provision hereof.

13.12 Specific Performance. The parties declare that it is impossible to measure in money the damages which will accrue to a party by reason of a failure to perform any of the obligations under this Agreement. Therefore, any party which institutes any action or proceeding to enforce the provisions hereof shall be entitled to a decree requiring specific performance of the provisions hereof, and any Person against whom such action or proceeding is brought hereby waives the claim or defense that such party has an adequate remedy at law, and such Person shall not urge in any such action or proceeding the claim or defense that such remedy at law exists.

13.13 Pronouns. Unless the context indicates otherwise, as used in this Agreement, words in the masculine shall include the feminine and neuter and vice versa. Words in the singular shall include the plural where the context so indicates.

13.14 Investment Representation. Each Person who holds an interest in the Company shall be deemed to have represented and warranted to the Company that it acquired such interest for investment and not for resale or distribution.

13.15 Dispute Resolution Procedures. In the event of a dispute concerning the terms or conditions of this Agreement that cannot be resolved informally, any Member may require that the parties shall submit the dispute to non-binding mediation, pursuant to the mediation procedures of a mediation agency selected by the parties. This mediation shall consist of two mediation sessions of at least four hours each, or until the mediator declares that the parties have reached an impasse, whichever occurs sooner. The parties are not required to exercise their right to mediation prior to providing a notice of termination and the mediation provisions set forth herein shall not act to extend the effective date of termination as specified in this notice, unless the party providing the notice of termination specifically agrees to such an extension.

13.16 No Waiver. No failure on the part of any party hereto in exercising any right, power or privilege hereunder shall, except as otherwise expressly provided herein, operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further

exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein specified are cumulative and, except as otherwise herein provided, are not exclusive of any rights or remedies which any party hereto would otherwise have.

13.17 Survival. The obligations of the parties which expressly extend beyond the life of the Company and/or termination or expiration of this Agreement shall continue in full force and effect.

13.18 HIPAA. The Company agrees to undertake efforts to ensure that the Company maintains compliance with the Health Insurance Portability and Accountability Act of 1996, 65 Fed. Reg. §§ 160.101 et seq. and 164.101 et seq. (December 28, 2000) ("HIPAA") and all amendments thereto. In addition, the Company shall require participation of any relevant parties in continued education on the requirements of HIPAA as necessary. The Members agree to enter into a mutually acceptable amendment to this Agreement as necessary to comply with applicable federal laws and regulations governing the use and/or disclosure of individually identifiable health information, including HIPAA. The provisions of this Section shall continue to survive after termination or expiration of this Agreement for any reason.

[Signature Page To Follow]

WITNESS, the due execution hereof as of the date first above written.

ATTEST:

INITIAL MEMBER:

WEST PENN ALLEGHENY HEALTH
SYSTEM, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
CAPITAL CONTRIBUTIONS; UNITS

Initial Member	Capital Contributions	Units
West Penn Allegheny Health System, Inc.	Equity contribution of \$2,500,000	1,000

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AMENDED AND RESTATED BYLAWS

OF

FORBES HEALTH FOUNDATION

Dated as of July 31, 2009

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Previous Revisions:
September 18, 2008
July 19, 2006
July 28, 2005
July 1, 2005

AMENDED AND RESTATED BYLAWS

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OF

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FORBES HEALTH FOUNDATION

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ARTICLE I

NAME AND ~~LOCATION~~ PURPOSES

1.1 Name. The name of the Corporation is Forbes Health Foundation (hereinafter, the "Corporation").

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~~1.2 Principal Office.~~ The principal office of the Corporation shall be located at 2570 Haymaker Road, Monroeville, Pennsylvania 15146 or at such other address as the Board of Directors shall determine.

Article II

~~PURPOSE, PARTICIPATION IN SYSTEM~~

~~2.1 Purpose.~~ The purposes of the Corporation are as set forth in the Articles of Incorporation and include the following:

~~1.2 Soliciting, receiving, managing, investing and distributing~~ **Purposes.** The Corporation is organized under the Pennsylvania Nonprofit Corporation Law (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:

(a) To operate as part of the nonprofit regional health care system governed by [UPE], a Pennsylvania nonprofit corporation ("UPE"), and support a health care provider network comprised of the Member and those corporations and other entities over which the Member exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

~~(b)~~ To solicit, receive, manage, invest and distribute funds which will promote and support by donation, loan or otherwise, the interests of The Western Pennsylvania Hospital, Forbes Regional Campus (the "Hospital"), a hospital operated by ~~The Western Pennsylvania Hospital, a corporation~~ West Penn Allegheny Health System, Inc. ("WPAHS"), (i) which is exempt from ~~Federal~~ federal income taxation under section 501(a) of the Code as an organization;

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described in section 501(c) (3) of the Code, and (ii) contributions to which are deductible under sections 170(c) (2), 2055(a) (2) and 2522-(a)(2) of the Code;

~~(c) Providing~~ To provide funds to further the ~~erection~~construction, establishment, organization, equipment, operation, management and maintenance of ~~The Western Pennsylvania~~ the Hospital, ~~Forbes Regional Campus~~;

~~(b)(d) Carrying on~~ To support or conduct training, research, educational and supportive activities related to rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and ~~the~~ promotion of health; and.

~~(e)(c) Carrying on~~ To conduct any lawful activity in furtherance of the foregoing purposes, subject to limitations on its actions imposed under section 501(c)-(3) of the Code. ~~Participation in System. The Corporation is a constituent entity of the health care system serving Western Pennsylvania known as West Penn Allegheny Health System, Inc. (the "System") which, as of the date of the adoption of these bylaws, is comprised of the Corporation, certain affiliated hospitals and certain other affiliated organizations. These Bylaws, among other things, establish the relative authority and responsibility of the entities and individuals participating in the governance and management Corporation in its capacity as part of the System.~~

Article III

MEMBER

~~ARTICLE II Member. Subject to Section 9 of this Article III, the sole voting member of the Corporation.~~

OFFICES

2.1 Registered Office. The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2 Business Offices. The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

ARTICLE III

MEMBERS

3.1 Member. The Corporation shall have one member, which shall be ~~WPAHS West Penn Allegheny Health System, Inc. (the "Member"), acting through its Board of Directors (the "Member Board"), or through its Executive Committee (the "Member").~~ There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of [UPE] as set

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~~forth in these Bylaws, Executive Committee") or designated officers of the Member (the "Designated Representatives") to the extent that the Member has, pursuant to its Bylaws or by resolution duly adopted by the Member Board, delegated its authority herein to the Member Executive Committee or to a Designated Representative; provided, however, that neither the Member Executive Committee nor any Designated Representative shall have the authority to act on behalf of the Member with respect to any of the actions identified in Section 2.B of this Article III~~

~~3.2 — Powers and Rights of Member.~~

~~(a) — The Member shall have such powers and rights as are set forth in the Pennsylvania Nonprofit Corporation Law ("PNCL") and the Articles of Incorporation of the Corporation. Without limiting and in addition to such powers and rights, the Member shall have the exclusive authority to exercise the following powers:~~

~~(i) — Adopt and/or approve and interpret the statement of mission and philosophy of the Corporation, and require the Corporation to operate in conformance with its statement of mission and philosophy;~~

~~(ii) — Adopt and/or approve amendments or restatements of the bylaws and Articles of Incorporation of the Corporation, subject, however, to Section 9 of this Article III, and subject to notice to the Attorney General or approval of the Orphans' Court as required by the PNCL.~~

~~(iii) — Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the Directors; and elect and remove, with or without cause, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation; provided that no Director or officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors and provided further that the Member shall elect and appoint Directors after consultation with the Chair of the Board of Directors of the Corporation;~~

~~(iv) — Designate the administrative structure of the Corporation and, after consultation with the Board of Directors of the Corporation, elect and remove, with or without cause, the President and Chief Executive Officer and all vice presidents and other officers of the Corporation, provided that no officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors;~~

~~(v) — Cause or approve any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors;~~

~~(vi) — Approve or cause the Corporation to engage in any acquisition or any sale, lease, exchange, mortgage, pledge or other alienation of any personal property of the Corporation having a value in excess of an amount to be fixed from time to time by the Member or any real property of the Corporation;~~

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~~(vii) Adopt and/or approve any capital or operating budgets of the Corporation, and approve or direct any unbudgeted expenditure to be undertaken individually or collectively by the Corporation and any affiliated corporations controlled by the Corporation (other than unbudgeted expenditures which are required in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements), where the cumulative amount of such unbudgeted expenditures is in excess of an amount to be fixed from time to time by the Member;~~

~~(viii) Adopt and/or approve any operating plan or financial plan with respect to the Corporation, and require the Corporation to comply with such operating or financial plan;~~

~~(ix) Approve and/or cause the Corporation to undertake or engage itself in respect of any bond issuance or any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases (other than indebtedness to provide funds for expenditures necessary in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements, to the extent such funds are not otherwise reasonably available), representing obligations of the Corporation in excess of an amount per annum in the aggregate established from time to time by the Member;~~

~~(x) Establish and/or approve the criteria for, and conduct the evaluation of, the performance of the President and Chief Executive Officer and all vice presidents and officers of similar rank of the Corporation;~~

~~(xi) Approve and/or cause the adoption by the Corporation of proposed settlements of litigation when such settlements exceed applicable insurance coverage or the amounts reserved in respect thereof of any applicable self-insurance fund;~~

~~(xii) Approve and/or cause any corporate reorganization of the Corporation or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of the Corporation;~~

~~(xiii) Adopt and/or approve the strategic plan of the Corporation; and~~

~~(xiv) Approve or direct the taking of any other action outside of ordinary course of business and such matters as are required to be submitted to corporate members of a Pennsylvania nonprofit corporation.~~

Except as otherwise required by the PNCL, and subject to Section 9 of this Article III, the action of the Member with respect to each of the foregoing actions shall be sufficient to approve such actions, no action by the Board of Directors of the Corporation shall be required with respect to any such actions, and, to the full extent permitted by law, no action of the Board of Directors with respect to any such actions shall be effective for any purpose without the approval of the Member.

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~~(b) Each of the following actions may be approved by the Member only through action of the Member Board, and not through action of the Member Executive Committee or any Designated Representative:~~

~~(i) The adoption or approval of a statement of mission and philosophy of the Corporation;~~

~~(ii) The adoption or approval of any amendments of the Bylaws or Articles of Incorporation of the Corporation;~~

~~(iii) The approval of any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors, or the sale or other disposition of all or substantially all of the assets of the Corporation;~~

~~(iv) The election, appointment and removal of the Directors, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation; and~~

~~(v) The approval of any bond issuance or incurrence of any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases.~~

3.33.2 Meetings of Member. Meetings of the Member may be held at such place within the Commonwealth of Pennsylvania as the Member may from time to time determine, or as may be designated in the notice of the meeting.

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~~(a) Annual Meeting of the Member. Unless otherwise fixed by the Member, the annual meeting of the Member of the Corporation shall be held in June of each year. At each annual meeting, (i) the Board of Directors shall present to at such date, time and place as the Member may determine to transact such business as may come before the meeting, an annual report regarding the financial performance of the Corporation, and (ii) the Member shall appoint the Board of Directors of the Corporation in accordance with Article IV and all officers that pursuant to the Bylaws are then to be appointed by the Member. If the annual meeting shall not be called and held within one (1) month of the date specified in this Article III, Section 4 or fixed by the Member in accordance with this Article III, Section 4, as applicable, any members of the Board of Directors and any officers theretofore appointed by the Member shall continue to serve unless removed by the Member (or unless the applicable member of the Board of Directors or officer resigns), and a special meeting be held in place thereof with the same force and effect as the annual meeting, and in such case all references in these Bylaws, except in this Article III, Section 4, to the annual meeting of the Corporation shall be deemed to refer to special meeting. Any such special meeting shall be called and notice given as provided in Article III, Sections 5 and 7, as applicable. B. Immediately after each annual appointment of the Board of Directors by the Member at the annual meeting or a special meeting, the Board of Directors of the Corporation shall meet for the transaction of to be conducted by Board of Directors at the place where the annual or special of the Member was held. Notice of such meeting need not be~~

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~~given. If such meeting is to be held at any other time or place, notice thereof shall be given as provided in Article V, Section 2 for special meetings of the Board of Directors.~~

3.4(b) Special Meetings of the Member. Special meetings of the Member ~~shall~~ may be held ~~whenever~~ called by the Chairperson of the Board of Directors of the Corporation; Member or by ~~written demand~~ one-third (1/3) of the members of the Board of Directors of the Member and shall be held at such date, time and place as shall be set forth in the notice of special meeting.

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~~(c) Action Without a Meeting.~~ **Notice of Meetings.** Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least ten (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five (5) days prior to the day named for the meeting in any other case.

3.5(d) Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the ~~actions~~ action so taken shall be signed by the Member; and filed with the Secretary ~~of the Corporation.~~

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3.3 Notice Powers.

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(a) Reserved Powers of Member.

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~~(i) For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code. Notwithstanding anything herein to the contrary, amendment of this Section 9 shall require approval of both the Member and at least two-thirds of the entire Board of Directors of the Corporation,~~ the Member shall have the right and power to make recommendations to [UPE Provider Subsidiary] and [UPE] with respect to actions by [UPE Provider Subsidiary] and [UPE] on matters reserved to [UPE Provider Subsidiary] and [UPE] under Sections 3.3(b) and 3.3(c) of these Bylaws. [UPE Provider Subsidiary] and [UPE] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member; and

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~~(a)(ii)~~ (ii) The Board of Directors of the Member shall have plenary authority with regard to the following:

a) To determine the number of directors that will comprise the Board of Directors of the Corporation and its subsidiaries;

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b) To elect the directors of the Corporation and the directors of its subsidiaries; and

c) To remove any of the directors of the Corporation and any of the directors of its subsidiaries, and to replace such directors for the unexpired portion of his or her term.

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~~(a) — Meetings; Participation by Conference Telephone Unless otherwise provided in these Bylaws, whenever written notice is required to be given to the under the provisions of the Articles of Incorporation, these Bylaws, or the PNCL, it may be given by sending a copy thereof first class mail, postage prepaid, by personal delivery, or in the case of notices other than notices of meetings, by telecopy with confirmed receipt to the address of the Member appearing on the books of the Corporation. If the notice is sent by mail, it shall be deemed to have been given to the Member entitled thereto when deposited in the United States mail, postage prepaid. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these Bylaws, and, unless the meeting is an annual meeting, shall indicate that the notice is being issued by or at the direction of the person(s) calling the meeting. Notice of each meeting of the Member shall be given not less than five days before the date of the meeting, except in the case where fundamental changes to the Corporation under Chapter 59 of the PNCL will be considered, in which case such notice shall be given not less than ten days before the date of the meeting. Every such notice shall state the date, time and place of the meeting, and notices of special meetings of the Member shall also set forth the general nature of the business to be conducted at such meeting.~~

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~~(e) — When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting and of the business to be transacted at an adjourned meeting in accordance with the provisions of this Article III, Section 7 if the day, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken.~~

~~(d) — Whenever notice of a meeting is required, such notice need not be given to the Member if a written waiver of notice executed by the Member is filed with the records of the Corporation. Attendance by the Member at any meeting of the Member shall constitute a waiver by the Member of notice of such meeting, except where the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.~~

~~(e) — One or more persons may participate in a meeting of the Member by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.~~

~~**3.6 — Resolutions.** Whenever the language of a proposed resolution is included in a written notice of a meeting of the Member, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.~~

~~(a) — Additional Members. Notwithstanding anything herein to the contrary, upon the occurrence of a Triggering Event (as defined below), then effective immediately and automatically upon the occurrence of such Triggering Event and without further action by the Member, the voting members of the Corporation shall include, in addition to the Member~~

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~~identified in Section 1 of this Article III hereof, all of the then-current members of the Board of Directors of the Corporation, and any reference in these bylaws to "the Member" shall be deemed to be a reference to "the Members" as identified in this Article III, Section 9, each of whom shall have one vote, and all of whom together shall have the authority that, but for operation of this Article III, Section 9, would be vested in the Member. From and after the occurrence of a Triggering Event, (i) a majority of the Members shall constitute a quorum at any meeting of the Members and (ii) the affirmative vote of two-thirds (or greater) of the whole number of Members shall be required to approve any matter to be voted on by the Members purposes of this Section, "Triggering Event" shall mean any of the following occurrences:~~

~~(i) a Final Determination (as defined below) shall have been entered denying the Member's application for recognition as an Exempt Organization (as defined below) or revoking the Member's status as an Exempt Organization;~~

~~(ii) the Member shall have taken all corporate action necessary to approve (x) the dissolution of the Member or (y) the filing by the Member of a voluntary petition in bankruptcy;~~

~~(iii) the Member shall have admitted in writing its inability to pay its debts as they come due; or~~

~~(iv) an involuntary petition for the dissolution and winding up of the Member shall have been filed, which such petition is not dismissed within 60 days of the filing thereof~~

~~"Final Determination" shall mean a decision, judgment, decree or other order by the Internal Revenue Service or a court of competent jurisdiction which is final and unappealable, or which has become unappealable because the time for instituting an appeal has expired. "Exempt Organization" shall mean an organization exempt from federal income taxation pursuant to Section 501(a) of the Code as an Notwithstanding anything herein to the contrary, amendment of this Section 9 shall require approval of both the Member and at least two-thirds of the entire Board of Directors of the Corporation Operating Reports. The Board of Directors of the Corporation shall submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

Article IV

THE BOARD OF DIRECTORS

~~(b) **Reserved Powers of [UPE Provider Subsidiary]:** The [UPE Provider Subsidiary] shall have the right and power to make recommendations to [UPE] with respect to actions by [UPE] on the matters reserved to [UPE] under Section 3.3(c) of these Bylaws. [UPE] shall have no obligation to approve any such recommendations, and [UPE] may take actions that have not been recommended by, or that are contrary to recommendations of, [UPE Provider Subsidiary]. **Powers and Responsibility.** Subject to Article III hereof and to the other rights and~~

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~~powers of the Member specified herein or in the Articles of Incorporation or otherwise provided hereby or in the Articles of Incorporation or by law, the Board of Directors shall have charge, control, and management of the administrative affairs,~~

(c) Reserved Powers of [UPE]:

(i) To approve the election, re-election and removal of all officers, including the President and Chief Executive Officer, of the Corporation and its subsidiaries;

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(ii) To amend, revise or restate the Corporation's Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's Articles of Incorporation and Bylaws that may be proposed or approved by [UPE Provider Subsidiary], the Member or Board of Directors of the Corporation; provided however, that [UPE] shall have no power to amend, revise or restate Section 3.3(a)(ii) or this proviso of Section 3.3(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Member that are elected by UPE to serve as Directors of the Member, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Member's Bylaws) of the Member, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31st, 2011, among [UPE], [UPE Provider Subsidiary], Highmark Inc., WPAHS, Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [UPE Provider Subsidiary], the Member or the Board of Directors of the Corporation before such action becomes effective;

(vi) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom;

(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and its subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

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(viii) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets;

(ix) To approve strategic plans and mission statements of the Corporation and its subsidiaries;

(x) To approve investment policies of the Corporation and its subsidiaries;

(xi) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries;

(xii) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiii) Subject to Section 7.5(i) and 7.6 of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiv) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation; and

(xv) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.

Except as may otherwise be provided by the Nonprofit Corporation Law, [UPE] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [UPE] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [UPE Provider Subsidiary] or other governing body or officer with respect to such action shall be necessary with respect hereto.

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ARTICLE IV

BOARD OF DIRECTORS

4.1 Powers and Responsibility. Subject to Section 3.3 of these Bylaws, all powers of Corporation shall be vested in the Board of Directors, which shall have charge, control, and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to do and perform all ~~aets~~necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation, ~~and or~~ applicable law, ~~in each case as amended.~~

Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and, except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

(a) To set policies and provide for carrying out the purposes of the Corporation;

(b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;

(c) To adopt and amend from time to time. ~~Such responsibility shall include without limitation implementation of~~ such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable;

(d) To implement any operational or financial plan adopted by the Member ~~and;~~

(e) To provide institutional management and planning. ~~Without limiting the generality of the foregoing, the Board of Directors shall have power and authority to, and shall be responsible to;~~

(f) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation. ~~The Board of Directors shall also;~~

~~4.1(g)~~ To prepare, for the Member's review and approval, on such timetable as the Member shall establish, proposed annual budgets for the Corporation, which budgets shall be consistent with any operating plan or financial plan adopted or approved by the Member and then in effect; and

(h) To submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation. ~~Composition of the Board: Appointment Qualifications. The Board of Directors shall be composed of not fewer than five nor more than twenty voting members, exclusive of non-voting ex officio Directors and Advisory Directors. The exact number of voting Directors shall be as fixed from time to time by the Member. Directors shall generally be appointed at the annual meeting of the Member, but may be appointed at any regular or special meeting of the~~

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~~Member, provided that, except for the *ex officio* Directors specified in Section 4 of this Article and physicians, the Board of Directors shall not include full-time employees of the Member, of the Corporation or of any of the other "Constituent Corporations" as defined in the Bylaws of the Member. Notwithstanding the foregoing, in no event shall more than 49% of the voting directors of the Board be comprised of employees of the Corporation or any Constituent Corporation. Each Director of the Corporation shall be a natural person of at least eighteen years of age, of good moral character and who enjoys a good reputation in the community, and who, by his or her experience, community interest, or prior action, demonstrates a willingness to devote time and talent to the affairs of the Corporation and to exercise his or her judgment with undivided loyalty to the Corporation.~~

4.2 Election of Directors. Directors of the Corporation shall be elected by the Board of Directors of the Member as prescribed by Section 3.3(a) of these Bylaws. Each Director shall further satisfy the requirements set forth in Section ~~9 of this Article IV~~4.3 of these Bylaws.

~~4.3 Term of Office.~~ Subject to Section 5 of this Article IV, Directors, other than *ex officio* Directors, shall serve for one, two or three year terms, as specified by the Member. In the event that the Member elects to classify the Board of Directors for purposes of staggering their respective terms of office, then the number of Directors assigned to each class shall be as nearly equal as possible to those assigned to each other class. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, except that an *ex officio* Director shall retain his or her position as Director only during his or her tenure in the position from which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal. Directors may be reelected for unlimited successor terms.

~~4.4 Ex Officio Directors.~~

4.3 Number/Qualifications.

(a) **Composition.** The Board of Directors shall consist of such number of persons as the Board of Directors of the Member may determine, but in no case less than five (5) members, excluding the *ex officio* Directors. The following persons shall serve as *ex officio* Directors of the Corporation with vote:

(i) President and Chief Executive Officer of the Member, or the designee of the President and Chief Executive Officer of the Member who shall be a member of senior management of the Member;

~~(ii) President and Chief Executive Officer of The Western Pennsylvania Hospital — Forbes Regional Campus; and~~

~~(iii)~~(ii) President and Chief Executive Officer of the Corporation; and

(iii) Board Chairperson of the Member, or the designee of the Board Chairperson of the Member who shall be a director of the Member.

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In the event that any individual holds multiple *ex officio* positions ~~she~~ such individual shall have one vote. If designees are selected to serve on the Board of Directors in accordance with this Section 4.3(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as directors as set forth herein, such designees shall be automatically removed from the Board with no further action being required on the part of any person.

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~~4.5(b) The Member~~ **Certain Qualifications.** No individual may appoint persons to serve as Advisory Directors of the corporation. Advisory Directors shall advise and assist be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors directors and the corporation with, among other things, the solicitation and receipt of funds to promote and support the interests of The Western Pennsylvania Hospital, Forbes Regional Campus. Advisory serve without vote and have no meeting responsibilities. ~~Removal, Resignation, Vacancies.~~ The Member may, in its discretion, remove any Director at any time, with or without cause, upon 10 days prior notice to the Board of Directors. Without limiting the generality of the foregoing, upon such notice the Member may, in its discretion, remove and replace all or a portion of the Board of Directors if the Member determines that the Corporation has failed to comply with any operating or financial plan adopted or approved by the Member. Unless such removal notice is revoked by the Member during the 10 day notice period, any such removal shall be effective immediately upon expiration of the notice period. ~~Any Director may resign from office with or without cause, by delivering a written statement of resignation to the Secretary of the Corporation. Any such resignation shall take effect immediately upon its receipt by the Secretary of the Corporation, a later effective time or date for the resignation is specified in the notice of resignation.~~ Any person appointed to fill a vacancy shall be appointed for the unexpired term of the Director whose death, resignation, or removal gave rise ~~pursuant to the applicable vacancy.~~ Orientation of Directors. ~~Newly elected or appointed Directors shall be oriented to the functions and procedures of the Board of Directors. Such orientation shall be carried out under the supervision of the President and Chief Executive Officer.~~ No Compensation. ~~No Director shall receive any compensation for acting as a Director. Directors who are officers or employees of the Corporation may receive compensation for those duties.~~ Review of Bylaws ~~law, the Articles of Incorporation and these Bylaws. The Board of Directors shall review these Bylaws of the Corporation annually, and based on such review, may propose amendments to these Bylaws to the Member of the Corporation.~~ Each director shall be a natural person of at least 18 years of age.

~~4.6 — Conflict of Interest.~~ Directors shall exercise good faith in all transactions touching upon their duties at the Corporation and its property. No director shall use his or her position, or knowledge gained therefrom, in any way that might give rise to a conflict between the interest of the Corporation and that of the individual Director. The Board of Directors shall adopt a conflict of interest policy, and each Director and officer of the Corporation shall agree in writing to be bound thereby as a prerequisite to his or her qualification as a Director or officer, as the case may be.

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Article V

MEETINGS OF THE BOARD OF DIRECTORS

(c) **Independence.** At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

(d) **SEC Actions.** Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

(e) **Age Limitations.** No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

4.4 Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors. The Chairperson shall not be an employee of the Corporation.

4.5 Term of Office. Directors, other than *ex officio* directors, shall serve one year terms. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, except that an *ex officio* Director shall retain his or her position as Director only during his or her tenure in the position from which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal. Directors may be re-elected for unlimited successor terms.

4.6 Vacancies. Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term shall be filled by the Board of Directors of the Member.

4.7 Meetings.

5.1(a) Regular and Annual Meetings of the Board of Directors. The Board of Directors shall hold regular meetings at such date, time and place as determined by the Board or the Chair; ~~provided that the Board shall meet not less than four times per year.~~ ~~person.~~ The ~~Annual Meeting~~ annual organizational meeting of the Board of Directors shall be held on such other date, as provided in Article III, Section 4 of these Bylaws. Notice of any meeting time and place as shall be mailed, personally delivered or faxed to each Director entitled to vote at least 5 days prior to the meeting to ~~determined by the~~ Director's address (or fax number) on Board of Directors, without further notice than the books of the Corporation. ~~Voting by proxy shall not be permitted at any meeting.~~ resolution setting such date, time and place.

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5.2(b) Special Meetings. ~~Special meetings may be held at any time upon call of the Member or the Chair or upon receipt by the President and Chief Executive Officer of the~~

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~~written request of at least three Directors~~ Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, with the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.

~~5.3 — Quorum. A majority of the entire Board of Directors (without counting non-voting ex-officio Directors and Advisory Directors) shall constitute a quorum at any regular meeting. Once a quorum is established, subsequent withdrawal of individuals to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Except as otherwise required by the PNCL, approval of any matter before the Board of Directors by a majority of the Directors present at a meeting shall constitute approval of the applicable matter by the Board.~~

~~5.4 — Action Without a Meeting. Any action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if consent in writing setting forth such action is signed by all of the Directors entitled to vote or members of the committee, and is filed in the minutes of the proceedings of the Board or of the committee.~~

~~(c) Rules Adjournment. When a meeting of the Board of Directors is adjourned, it shall not be necessary to give notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.~~

~~(d) Quorum. Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.~~

~~(e) Voting and Action. Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.~~

~~(a)(f) Use of Conference Telephone. One or more Directors or members of a Committee established pursuant hereto may Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or such Committee by of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting pursuant to this subsection in such manner shall constitute presence in person at such the meeting. Conduct. Meetings of the Board of Directors and Committees of the Board of Directors will be conducted in accordance with such rules as may be established by the Board of Directors.~~

~~(g) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if consent or~~

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consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

~~5.5 — Waiver of Notice. Whenever any written notice is required to be given under the provisions of the these bylaws or the PNCL, such notice need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.~~

4.8 Resignation/Removal.

(a) Resignation. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any director may be removed, with or without cause, by the Board of Directors of the Member.

4.9 Limitation of Liability.

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

(b) Nature and Extent of Rights. The provisions of this Section 4.9 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

4.10 No Compensation. No Director shall receive compensation for acting as a Director. Directors who are also officers or employees of the Corporation may receive compensation for their services as officers or employees.

~~Article VI~~ **ARTICLE V**

OFFICERS

~~6.15.1 Officers Generally. The officers shall be a Chairperson, a Secretary, a Treasurer, a President and Chief Executive Officer, and such Vice Presidents and other subordinate officers as the Member shall designate. The Chair shall be appointed from among the elected (i.e., non-ex-officio) members of the Board of Directors shall designate, subject to the approval of [UPE]. All other officers need not, but may, be selected from among such elected members of the Board~~

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of Directors. ~~No full-time employee of the Member or of the Corporation shall be eligible to serve as Chair of the Corporation.~~

6.25.2 Appointment Election of Officers. All officers of the Corporation, including the President and Chief Executive Officer, shall be elected to office by the Board of Directors, subject to the approval of [UPE] in accord with these Bylaws and shall hold ~~The officers shall be appointed by the Member, after consultation with the Board of Directors of the Corporation, at the Annual Meeting of the Member each year and shall hold~~ office for terms of one year and until their successors are duly installed, subject in each case to an officer's earlier death, resignation or removal. Vacancies in any office may be filled by action of ~~the Member after consultation with the Board of Directors of the Corporation.~~ So long as the Member is the sole Member of the Corporation, officers shall be appointed from among candidates nominated by the Nominating Committee of the Member, provided that, no full-time employee of the Member or of the Corporation shall be eligible to serve as Chair or Vice Chair of the Corporation. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation the Board of Directors, subject to the approval of [UPE].

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6.35.3 Chairperson. ~~The Chair~~ Chairperson shall preside at all meetings of the Board of Directors, ~~and at the Annual Meeting of the Member each year shall present the report of the Board of Directors.~~ The Chair shall be responsible to review the performance of the Board of Directors on an annual basis, and to report on such performance to the Member. The Chair Chairperson shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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6.45.4 President and Chief Executive Officer. The President and Chief Executive Officer of the Corporation shall be an *ex officio* member of the Board and each committee of the Board. The President and Chief Executive Officer shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject, however, to the policies and directives of the Member and of the Board of Directors with regard to the matters as to which the Board of Directors is responsible, and to the provisions of the Corporation's Articles of Incorporation and Bylaws.

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~~6.5 Vice Chair. The Vice Chair shall perform the duties of the Chair when for any reason the Chair is unable to perform the same.~~

6.65.5 Secretary. The Secretary shall keep and properly record the minutes of the proceedings of the Board of Directors, notify officers of their election and committee members of their appointment, give notice of all meetings of the Board of Directors ~~and the Executive Committee~~, have custody of the corporate seal and of all books and papers pertaining to the office, and generally shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.

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6.75.6 Treasurer. The Treasurer shall receive and have custody of all funds, money, and income of the Corporation ~~not otherwise specifically provided for by the Member~~ and shall deposit the same in such depository or depositories as the Board shall designate. The Treasurer

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shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

6.85.7 Resignation. Any officer may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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6.95.8 Removal. Any officer may be removed, with or without cause, by the Board of Directors, subject to the approval of [UPE]. ~~of the Corporation may be removed, with or without cause, by the Member whenever in the judgment of the Member the best interests of the Corporation will be served thereby. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation.~~

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~~Article VII~~ARTICLE VI

COMMITTEES OF THE BOARD OF DIRECTORS

7.16.1 Committees Generally. The Board of Directors, upon approval ~~direction or approval~~ of the Member, shall establish ~~the~~ such committees (standing or special) as the Board of Directors shall determine ~~to be to establish~~ appropriate or necessary, with such authority and composition as the Board of Directors shall ~~determine~~ designate (subject ~~only~~ to the rights and powers of the ~~Members~~Member, [UPE Provider Subsidiary], and [UPE] as set forth in the ~~PNCL, the Articles of Incorporation, and these Bylaws, and the limitations or delegation of the Board's authority pursuant to the PNCL and the limitations on delegation of Board authority under the Nonprofit Corporation Law).~~

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7.26.2 Appointment of Committees. The members of any standing or special Committee shall be appointed by the Board, ~~and so long as the Member is the sole Member of the Corporation, such appointment shall be from among individuals nominated by the Nominating Committee of the Member, of Directors.~~ Each Committee shall include at least three ~~Directors~~directors, including *ex officio* members, ~~and may include such other interested individuals as determined appropriate by the Board of Directors.~~ The ~~Chair~~Chairperson and the President and Chief Executive Officer shall be *ex officio* members of all committees with full voting privileges. Each ~~other~~ member of a committee shall serve for a term of one year and until his or her successor has been appointed, subject to his or her earlier death, resignation or removal.

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7.36.3 Meetings of Committees. All standing Committees shall function under the direction of the Board of Directors and shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically required of them. Minutes shall be kept of each meeting of each Committee and such minutes shall be disseminated to all members of the Board of Directors, and to the Member.

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7.46.4 Quorum; Act of Committee. ~~A~~ The presence of a majority of the members of a Committee shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Approval of any matter before any Committee by a majority of those present at a meeting of a Committee where a quorum is present shall constitute approval of the applicable matter by the applicable Committee.

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7.56.5 Resignation. Any Committee member may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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7.66.6 Removal. Any Committee member may be removed, with or without cause, by the Board of Directors or the Member whenever in the judgment of the Board of Directors or the Member the best interests of the Corporation will be served thereby. ~~provided that if any Committee member is removed by the Member, at least 10 days advance notice of such removal shall be given by the Member to the Board of Directors.~~

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Article VIII

FISCAL YEAR AND ANNUAL REPORT

8.1 ~~Fiscal Year.~~ The Fiscal Year of the Corporation shall begin on the first day of July of each year and end on the last day of June of the succeeding year.

8.2 ~~Annual Report.~~ As soon as may be convenient following the close of the Fiscal Year, the Board of Directors may cause to be published for general distribution an Annual Report containing such information regarding the work and affairs of the Corporation for the preceding Fiscal Year as in their discretion may be deemed advisable.

Article IX

SEAL

9.1 ~~Seal.~~ The seal of the Corporation shall be in such form as may be approved by the Board of Directors.

Article X

LIABILITY OF DIRECTORS

10.1 ~~Standard of Care and Fiduciary Duty.~~ Each Director shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary

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prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(~~)~~ — one or more officers or employees of this Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(~~)~~ — counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and

(~~)~~ — a committee of the Board of this Corporation upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

~~10.2~~ — Limitation on Liability. Neither the Member nor any Director of the Corporation shall be personally liable for monetary damages for any action taken, or any failure to take any action, provided however, that this provision shall not eliminate or limit the liability of the Member or any Director to the extent that such elimination or limitation of liability is expressly prohibited by Section 5713 of the PNCL, as in effect at the time of the alleged action or failure to take action by such Member or Director.

Preservation of Rights. Any repeal or modification of this Article shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Member, Director or former Member or Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be the Member or a Director of the Corporation and shall inure to the benefit of the successors, heirs, executors, and administrators of such person

~~Article XI~~ ARTICLE VII

INDEMNIFICATION

~~H.17.1~~ Mandatory Right to Indemnification - General. ~~of Directors and Officers. The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each Director and officer (including each former Director or officer) of the Corporation~~ Any person who was or is a party or is threatened to be made a party to ~~or a witness in~~ any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative ~~(whether brought by or in the name of the Corporation or otherwise)~~, by reason of the fact that ~~the Director~~ he or ~~officer~~ she is or was an ~~authorized~~ representative of the Corporation, or is or was serving at the ~~written~~ request of the Corporation as a representative of another ~~domestic or foreign corporation for profit or not for profit~~, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation ~~against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably~~

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~~incurred by the Director or officer in connection with such action, suit or proceeding if such Director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. Mandatory Advancement of Expenses to Directors and Officers.—The Corporation pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 1 of this Article XI in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 1 of this Article XI in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to as provided in Section 4 of this Article XI. Permissive Indemnification and Advancement of Expenses.—The Corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person who was or is or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an authorized representative of the Corporation or is or was serving at the request of the Corporation as a representative of another domestic or foreign to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation ~~for profit or not for profit~~, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII, both as to action in his official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Corporation may, as determined by the Board of Directors from time to time, pay expenses included by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article X~~

7.2 Scope Right to Indemnification - Third Party Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding

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if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

11.27.3 Right to Indemnification - Derivative Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper. ~~Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the PNCL or any successor statute as in effect at the time of such alleged action or failure to take action~~

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7.4 Advance of Expenses. Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(c) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise. ~~Miscellaneous. Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article.~~

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7.5 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

11.37.6 Indemnification Not Exclusive. The ~~rights of~~ indemnification and advancement of expenses provided by ~~or granted pursuant to~~ this Article VII shall not be deemed exclusive of any other rights to which ~~any~~ person seeking indemnification or advancement of expenses may be entitled under any ~~other provision of these Bylaws,~~ agreement, vote of ~~members (if any),~~ disinterested ~~Directors, statutedirectors~~ or otherwise, both as to action in ~~such person's his or her~~ official capacity and as to action in another capacity while holding such office ~~or position, and~~ shall continue as to a person who has ceased to be an ~~authorized~~ representative of the Corporation and shall inure to the benefit of the heirs, ~~executors and administrators and personal representatives~~ of such person. ~~Any repeal or modification of this Article by the members if any) or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person may be entitled under this Article.~~

~~11.4 Definition of Authorized Representative.~~ For the purposes of this Article, the term, "authorized representative" shall mean a director, officer (including a former director or officer), or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any corporation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. ~~The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Corporation, and shall not include (i) agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors, or (ii) any scientist in his or her teaching or research capacity.~~

7.7 When Indemnification Not Made. Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code. ~~Funding to Meet Indemnification Obligations.~~ Subject to the approval of the Member, the Board of Directors shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the Corporation, from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement

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~~of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. Upon the approval of the Member, the~~

7.8 Grounds for Indemnification. Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9 Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

~~11.57.10~~ Creation of a Fund to Secure or Insure Indemnification. The Corporation may, ~~in lieu of or in addition, to the purchase and maintenance of insurance, establish and maintain~~ create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article VII or otherwise.

Article XII

AMENDMENTS OF THESE BYLAWS AND/OR THE ARTICLES OF INCORPORATION OF THE CORPORATION

~~The power to amend, modify, alter or repeal these Bylaws or the Articles of Incorporation, is hereby exclusively vested in the Member of the Corporation subject, however, to Section 9 of Article III.~~

Article XIII

SUBVENTIONS

~~The Corporation shall be authorized by resolution of the Board of Directors or the Member to accept subventions from the Member or nonmembers on terms and conditions not inconsistent with PNCL § 5542, and to issue certificates therefor. The resolution of the Board of Directors or the Member may provide that the holders of subvention certificates shall be entitled to a fixed or contingent periodic payment out of the corporate assets equal to a percentage of the~~

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~~original amount or value of the subvention. The rights of holders of subvention certificates shall at all times be subordinate to the rights of creditors of the Corporation.~~

* * * *

7.11 Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article VII is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12 Applicability to Predecessor Companies. For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 7.11 of these Bylaws.

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

8.1 Contracts. Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8.2 Loans. Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

8.3 Checks. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

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8.4 Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

ARTICLE IX

NOTICE AND CONDUCT OF MEETINGS

9.1 Written Notice. Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

9.2 Written Waiver of Notice. Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 Waiver of Notice by Attendance. Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

9.4 Procedure. All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

ARTICLE X

MISCELLANEOUS

10.1 No Contract Rights. Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

10.2 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by [UPE].

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ARTICLE XI

AMENDMENTS

11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by [UPE], except as expressly set forth in Section 3.3(c)(ii) of these Bylaws.

ARTICLE XII

CONFLICTS OF INTEREST

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

12.2 Recusal and Investigation. After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

12.3 Failure to Disclose. If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the

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Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

12.4 Record of Actions. The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

12.5 Compensation. Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

12.6 Annual Statements. Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new director or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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AMENDED AND RESTATED BYLAWS
OF
SUBURBAN HEALTH FOUNDATION

Bellevue, Pittsburgh, Pennsylvania 15202

Adopted July, 1984
Reviewed August, 1985
Reviewed September, 1986
Reviewed October, 1987
Reviewed August, 1988
Reviewed June, 1989
Reviewed March, 1990
Amended May 28, 1991
Reviewed June, 1992
Amended June 29, 1993
Amended May 9, 1995
Adopted July 10, 2000
Reviewed November 8, 2001
Amended March 14, 2002
Amended May 15, 2003
Amended & Restated January 1, 2005
Amended March 10, 2005

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AMENDED AND RESTATED BYLAWS
OF
SUBURBAN HEALTH FOUNDATION

Bellevue, Pittsburgh, Pennsylvania 15202

~~Article I~~ CORPORATION

~~1.1~~ Purpose

~~Article II~~ ARTICLE I

NAME AND PURPOSES

~~Suburban Health Foundation (the "Foundation") was formed by the division of Suburban General Hospital~~

1.1 Name. The name of the Corporation is Suburban Health Foundation (hereinafter, the "Corporation").

1.2 Purposes. The Corporation is organized under the provisions of 7942 of the Pennsylvania Non-profit Corporation Law of 1972, Act of November 15, 1972, P.L. 1063, No. 271. The purposes for which the Foundation was formed are exclusively charitable, scientific, or educational (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954/1986, as amended, and are more fully set forth in the amended (the "Code"), and restated Foundation's Articles of Incorporation. in this connection is organized:

2.1 Participation in the System

(a) ~~The Foundation is a constituent entity of the~~ To operate as part of the nonprofit regional health care system serving Western governed by [UPE], a Pennsylvania known as West Penn Allegheny Health System, Inc. which, as of the date of the adoption of these bylaws, is nonprofit corporation ("UPE"), and support a health care provider network comprised of the Foundation, certain affiliated hospitals and certain Member and those corporations and other affiliated organizations. These Bylaws, among other things, establish the relative authority and responsibility of the entities and individuals participating in the over which the Member exercises governance and management of the Foundation in its capacity as part of the System control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of

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the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

~~2.2 — Annual Meeting~~

~~The annual meeting of the Foundation shall be held at a place and time designated by the Board of Directors on the date of the annual meeting of the Board of Directors of Allegheny General Hospital, but after the adjournment of that meeting, or within fifteen days thereafter.~~

~~Article III MEMBER~~

~~3.1 — Member~~

~~(b) The sole member of the Foundation shall be Allegheny General Hospital ("Allegheny General Hospital" or the "Member"), which shall be subject to the powers and authority of its member, West Penn Allegheny Health System, Inc. To solicit, receive, manage, invest and distribute funds which will promote and support by donation, loan or otherwise, the interests of Allegheny General Hospital, Suburban Campus (the "Hospital"), a hospital operated by West Penn Allegheny Health System, Inc. ("WPAHS"), (i) which is exempt from federal income taxation under section 501(a) of the Code as an organization described in section 501(c) (3) of the Code, and (ii) contributions to which are deductible under sections 170(c) (2), 2055(a) (2) and 2522(a)(2) of the Code;~~

~~(c) To provide funds to further the construction, establishment, organization, equipment, operation, management and maintenance of the Hospital;~~

~~(d) To support or conduct training, research, educational and supportive activities related to rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and promotion of health; and~~

~~(e) To conduct any lawful activity in furtherance of the foregoing purposes, subject to limitations on its actions imposed under section 501(c)(3) of the Code.~~

ARTICLE II

OFFICES

2.1 Registered Office. The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2 Business Offices. The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

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ARTICLE III

MEMBERS

3.1 Member. The Corporation shall have one member, which shall be West Penn Allegheny Health System, Inc. ("WPAHS" or the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of [UPE] as set forth in these Bylaws.

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3.2 Meetings of Member. Meetings of the Member may be held at such place within the Commonwealth of Pennsylvania as the Member may from time to time determine, or as may be designated in the notice of the meeting.

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(a) **Annual Meeting of the Member** ~~Unless otherwise fixed by the Member, the annual meeting of the Foundation~~ ~~Member of the Corporation shall be held in June of each year. At each annual meeting, (i) the Board of Directors shall present to at such date, time and place as the Member an annual unaudited report regarding the financial performance of the Foundation, and (ii) the Member shall appoint the Board of Directors of the Foundation. If the annual meeting shall not be called and held within one (1) month of the date specified in this Article II, Section 3 or fixed by the Member in accordance with this Article II, Section 3, as applicable, any director of the Board of Directors of the Foundation and theretofore appointed by the Member shall continue to serve unless removed by the Member (or unless the applicable director of said Board of Directors dies or resigns), and a special meeting may be held in place thereof with the same force and effect as the annual meeting, and in such case all references in these Bylaws, except in this Article II, Section 3, to the annual meeting of the Foundation shall be deemed to refer to determine to transact such special meeting. Any such special meeting shall be called and notice given as provided herein. Immediately after each annual appointment of the Board of Directors of the Foundation by the Member at its annual meeting or a special meeting, the Board of Directors of the Foundation shall meet for the transaction of business to be conducted by its Board of Directors at as may come before the place where the annual or special meeting of the Member was held. Notice of such meeting need not be given. If such meeting is to be held at any other time or place, notice thereof shall be given as provided herein for special meetings of the Board of Directors.~~

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3.2(b) Special Meetings of the Member. Special meetings of the Member may be called by the Chairperson of the Board of Directors of the Member or by one-third (1/3) of the members of the Board of Directors of the Member and shall be held at such date, time and place as shall be set forth in the notice of special meeting.

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~~Special meetings of the Member shall be held whenever called by the Board of Directors of the Foundation, or by written notice of the Member.~~

~~3.3 Action Without n Meeting~~

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(c) **Notice of Meetings.** Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least ten (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five (5) days prior to the day named for the meeting in any other case.

(d) **Written Consent.** Any action ~~affecting the Foundation~~ which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the actions so taken shall be signed by the Member, and filed with the Secretary ~~of the Foundation~~.

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~~3.4 Notice of Meetings Participation by Conference Telephone~~

- (a) ~~Unless otherwise provided in these Bylaws, whenever written notice is required to be given to the Member under the provisions of the Articles of Incorporation, these Bylaws, or the PNCL, it may be given by sending a copy thereof first-class mail, postage prepaid, by personal delivery, or in the case of notices other than notices of meetings, by telecopy with confirmed receipt to the address of the Member appearing on the books of the Foundation. If the notice is sent by mail, it shall be deemed to have been given to the Member when deposited in the United States mail, postage prepaid. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these Bylaws, and, unless the meeting is an annual meeting, shall indicate that the notice is being issued by or at the direction of the person(s) calling the meeting. Notice of each meeting of the Member shall be given not less than five days before the date of the meeting, except in the case where fundamental changes to the Foundation under Chapter 59 of the PNCL will be considered, in which case such notice shall be given not less than ten days before the date of the meeting. Every such notice shall state the date, time and place of the meeting, and notices of special meetings of the Member shall also set forth the general nature of the business to be conducted at such meeting.~~
- (b) ~~When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting and of the business to be transacted at an adjourned meeting in accordance with the provisions of this Article II, Section 6 if the day, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken.~~
- (c) ~~Whenever notice of a meeting is required, such notice need not be given to the Member if a written waiver of notice executed by the Member is filed with the records of the Foundation. Attendance by the Member at any meeting of the Member shall constitute a waiver by the Member of notice of such meeting, except where the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.~~
- (d) ~~One or more persons may participate in a meeting of the Member by means of conference telephone or similar communications equipment by means of which~~

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all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

~~3.5 — Resolutions~~

~~Whenever the language of a proposed resolution is included in a written notice of a meeting of the Member, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.~~

~~3.6 — Operating Reports~~

~~The Board of Directors of the Foundation shall submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Foundation and of any affiliates of the Foundation that are controlled by the Foundation.~~

~~Article IV BOARD OF DIRECTORS~~

~~4.1 — Number and Term~~

~~The Board of Directors of the Foundation shall consist of at least seven persons, six or more of whom shall be elected initially by the Member for undesignated terms not to exceed three (3) years and one of whom shall be designated and elected or re-elected by West Penn Allegheny Health System, Inc. for two-year terms. Subsequent terms of Directors elected or re-elected by the Member shall be for three (3) years or to fill unexpired terms.~~

~~The Board of Directors of the Foundation shall establish staggered one, two and three-year terms for said Directors and shall appoint each elected and re-elected Director to one such term, keeping the initial and future number thereof in each term as equal as possible.~~

~~4.2 — Qualifications for Directors~~

~~At the time of election, or re-election, to the Board of Directors a person must be at least twenty-one years of age, a resident of Allegheny County or a county contiguous to Allegheny County. Eligibility for election to membership shall not otherwise be denied to any person because of age, sex, religion, race, or national origin.~~

~~4.33.3 Powers of the Board of Directors.~~

~~(a) Reserved Powers of Member.~~

~~(i) For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to [UPE Provider Subsidiary] and [UPE] with respect to actions by [UPE Provider Subsidiary] and [UPE] on matters reserved to [UPE Provider Subsidiary] and [UPE] under Sections 3.3(b) and 3.3(c) of these Bylaws. [UPE Provider Subsidiary] and [UPE] shall have no obligation to approve any~~

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such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member; and

(ii) The Board of Directors of the Member shall have plenary authority with regard to the following:

a) To determine the number of directors that will comprise the Board of Directors of the Corporation and its subsidiaries;

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of its subsidiaries; and

b) To elect the directors of the Corporation and the directors

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c) To remove any of the directors of the Corporation and any of the directors of its subsidiaries, and to replace such directors for the unexpired portion of his or her term.

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(b) Reserved Powers of [UPE Provider Subsidiary]:

The [UPE Provider Subsidiary] shall have the right and power to make recommendations to [UPE] with respect to actions by [UPE] on the matters reserved to [UPE] under Section 3.3(c) of these Bylaws. [UPE] shall have no obligation to approve any such recommendations, and [UPE] may take actions that have not been recommended by, or that are contrary to recommendations of, [UPE Provider Subsidiary].

(c) Reserved Powers of [UPE]:

(i) To approve the election, re-election and removal of all officers, including the President and Chief Executive Officer, of the Corporation and its subsidiaries;

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(ii) To amend, revise or restate the Corporation's Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's Articles of Incorporation and Bylaws that may be proposed or approved by [UPE Provider Subsidiary], the Member or Board of Directors of the Corporation; provided however, that [UPE] shall have no power to amend, revise or restate Section 3.3(a)(ii) or this proviso of Section 3.3(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Member that are elected by UPE to serve as Directors of the Member, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Member's Bylaws) of the Member, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31st, 2011, among [UPE], [UPE Provider Subsidiary], Highmark Inc., WPAHS, Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

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(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [UPE Provider Subsidiary], the Member or the Board of Directors of the Corporation before such action becomes effective;

(vi) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom;

(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrance of debt by the Corporation and its subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(viii) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets;

(ix) To approve strategic plans and mission statements of the Corporation and its subsidiaries;

(x) To approve investment policies of the Corporation and its subsidiaries;

(xi) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries;

(xii) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiii) Subject to Section 7.5(i) and 7.6 of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

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(xiv) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation; and

(xv) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.

~~Except as may otherwise be provided by the Nonprofit Corporation Law, [UPE] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [UPE] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [UPE Provider Subsidiary] or other governing body or officer with respect to such action shall be necessary with respect hereto. Subject to the rights and powers of the Member specified herein or in the Articles of Incorporation or otherwise provided hereby or in the Articles of Incorporation, the Board of Directors shall have sole charge, control, and management of the administrative affairs, property and funds of the Foundation and shall have the power and authority to perform all acts and functions not inconsistent with these Bylaws, the Articles of Incorporation, and applicable law. In performing such duties, the most current edition of Roberts Rules of Order shall govern the actions of the Directors unless specific provisions governing such actions are otherwise set forth in these Bylaws.~~

4.4 — Delegation of Power to Allegheny General Hospital

~~Pursuant to Section 7725(b) and 7751(b) of the Pennsylvania Non-profit Corporation Law of 1972, Act of November 14, 1972, P.L. 1063, No. 271, the Board of Directors of the Foundation expressly delegates to the Board of Directors of Allegheny General Hospital the right to:~~

- ~~(i) — elect all Directors of the Foundation, with the right to remove them with or without cause;~~
- ~~(ii) — approve or disapprove any amendments to the Foundation's Articles of Incorporation and Bylaws before they become effective;~~
- ~~(iii) — approve or disapprove annual budgets;~~
- ~~(iv) — approve or disapprove any unbudgeted business expenditure in excess of 5% of the total current annual budget, excluding transfers and investments of funds made pursuant to Foundation approved investment policy; and~~
- ~~(v) — approve or disapprove any other action of the Foundation which is not in the ordinary course of the Foundation's business.~~

4.5 — Delegation of Power to West Penn Allegheny Health System, Inc.

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~~Pursuant to Sections 7725(b) and 7751(b) of the Pennsylvania Non-profit Corporation Law of 1972, Act of November 14, 1972, the Board of Directors of the Foundation expressly delegates to the Board of Directors of West Penn Allegheny Health System, Inc. the right to:~~

- ~~(i) approve or disapprove any amendments of the Articles of Incorporation of the Foundation before they become effective; and~~
- ~~(ii) approve or disapprove the Bylaws and any amendments of the Bylaws of the Foundation before they become effective.~~

~~The powers granted by the Foundation to West Penn Allegheny Health System, Inc. shall not be unilaterally altered, amended, or rescinded by the Foundation.~~

~~4.6 — Vacancies~~

~~Vacancies occurring on the Board of Directors of the Foundation may be filled by the Board of Allegheny General Hospital from names proposed by the Nominating Committee of Allegheny General Hospital or by a member of the Board of Directors of Allegheny General Hospital at a meeting at least thirty (30) days prior to the filling of the vacancy. Any member of the Board of the Foundation may submit recommendations to the Nominating Committee concerning vacancies on the Foundation's Board. Appointments shall be for the unexpired term so filled.~~

~~4.7 — Attendance~~

~~If a Director is absent from six consecutive meetings without action by the Board of Directors excusing such absence, said Director shall be declared no longer a Director by action of the Board of Directors; provided, however, that before such action is taken the President shall notify the Director of such pending action so that the Director may request the Board of Directors to excuse the absences and continue the Directorship. Additionally, the Board of Directors of Allegheny General Hospital, at any time and without assigning cause, may remove any Director from office.~~

~~4.8 — Emeritus Directors~~

~~A member of the Board of Directors who has served the Foundation faithfully may be appointed an Emeritus Director by action of the Board of Directors of Allegheny General Hospital. The Board of Directors of the Foundation may submit recommendations for Emeritus Directors to the Board of Directors of Allegheny General Hospital. An Emeritus Director will be elected or re-elected for two-year terms and will be entitled to all the rights and privileges of a director of the Board of Directors including service on committees, except the power to vote.~~

~~4.9 — Conflict of Interest~~

~~Each Director shall execute on an annual basis a statement disclosing any business or personal interests which are in fact or may appear to be a conflict of interest with those of the Foundation or of any other corporation which is included in the multi-corporate system of which this Foundation is a part. Each Director shall refrain from participating in deliberations and~~

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actions on such matters. Each Director shall inform the Board and any of its committees, at the time that an issue is under consideration, if he or she has, or could be perceived to have, a conflict of interest. The Board of Directors shall have the ultimate responsibility and authorization to determine if a conflict of interest exists and the appropriate action.

~~Article V~~REGULAR AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS

~~5.1~~ — Regular Meetings

The Board of Directors shall hold regular ~~hi~~-monthly meetings, or meetings as frequently as deemed required to facilitate the business of the Foundation, at times and places designated by the Board.

~~5.2~~ — Special Meetings

Special meetings may be called by the Chair or the President of the Foundation and shall be called by either officer at the written request of three (3) members of the Board of Directors. Written notice of special meetings shall be mailed to each member of the Board of Directors at least three (3) days before the date of such special meetings. This notice shall state the business for which the special meeting has been called, and no business other than that slated in the notice shall be transacted at such special meeting.

~~5.3~~ — Quorum

One half of the number of active Directors shall constitute a quorum.

~~5.4~~ — Action by Written Consent

Except as otherwise provided in the Bylaws, any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a Consent in writing setting forth the action so taken shall be signed by all the Directors and filed with the minutes of the Foundation.

~~5.5~~ — Use of Conference Telephone or Similar Equipment

Except as otherwise provided in the Bylaws, one or more persons may participate in a meeting of the Board of Directors using conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

~~Article VI~~OFFICERS OF THE BOARD OF DIRECTORS

~~6.1~~ — Designation and Term

The officers of the Board of Directors of the Foundation shall be a Chair, a Vice-Chair, a President, a Secretary, a Treasurer, and such other officers as the Board of Directors may authorize, all of whom shall be elected by the Board of Directors from among its own

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~~membership from candidates nominated by a member of the Board of Directors at the first regular meeting after the annual meeting.~~

~~Officers shall hold office for one year or until their successors shall have been duly elected and qualified. No person shall be elected to the office of Chair for more than three (3) consecutive years; provided, however, such person may be re-elected to the office of Chair after having been out of such office for at least one (1) year. One person may not hold two offices.~~

~~6.2 — Duties~~

~~The Chair shall call and~~

ARTICLE IV

BOARD OF DIRECTORS

4.1 Powers and Responsibility. Subject to Section 3.3 of these Bylaws, all powers of Corporation shall be vested in the Board of Directors, which shall have charge, control, and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to do and perform all necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation, or applicable law.

Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and, except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

(a) To set policies and provide for carrying out the purposes of the Corporation;

(b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;

(c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable;

(d) To implement any operational or financial plan adopted by the Member;

(e) To provide institutional management and planning;

(f) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation;

(g) To prepare, for the Member's review and approval, on such timetable as the Member shall establish, proposed annual budgets for the Corporation, which budgets shall be consistent with any operating plan or financial plan adopted or approved by the Member and then in effect; and

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(h) To submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.

4.2 Election of Directors. Directors of the Corporation shall be elected by the Board of Directors of the Member as prescribed by Section 3.3(a) of these Bylaws. Each Director shall further satisfy the requirements set forth in Section 4.3 of these Bylaws.

4.3 Number/Qualifications.

(a) **Composition.** The Board of Directors shall consist of such number of persons as the Board of Directors of the Member may determine, but in no case less than five (5) excluding the *ex officio* Directors with vote who shall be as follows:

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(i) President and Chief Executive Officer of the Member, or the designee of the President and Chief Executive Officer of the Member who shall be a member of senior management of the Member;

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(ii) President and Chief Executive Officer of the Corporation; and

(iii) Board Chairperson of the Member, or the designee of the Board Chairperson of the Member who shall be a director of the Member.

In the event that any individual holds multiple *ex officio* positions such individual shall have one vote. If designees are selected to serve on the Board of Directors in accordance with this Section 4.3(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as directors as set forth herein, such designees shall be automatically removed from the Board with no further action being required on the part of any person.

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(b) **Certain Qualifications.** No individual may be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors pursuant to applicable law, the Articles of Incorporation and these Bylaws. Each director shall be a natural person of at least 18 years of age.

(c) **Independence.** At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

(d) **SEC Actions.** Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

(e) **Age Limitations.** No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director

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who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

4.4 Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors. The Chairperson shall not be an employee of the Corporation. ~~The Chair shall appoint all committees and the persons to chair such committees who shall serve for one year or until their successors are appointed.~~

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~~The Vice-Chair shall act as Chair in the absence, death, or disability of the Chair and, when so acting, shall have all the power and authority of the Chair.~~

~~The President shall be the Chief Executive Officer of the Foundation and the representative of the Board of Directors responsible for the day-to-day operation of the Foundation. The President shall act as the duly authorized representative of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person to so act.~~

~~The Secretary shall act as secretary of both the Foundation and the Board of Directors; shall send appropriate notices and prepare agendas for all meetings of the Board of Directors; shall act as custodian of all records and reports and shall be responsible for the keeping and reporting of adequate records of all meetings of the Board of Directors. The Secretary shall turn over to the Board of Directors all such records and reports belonging to the Foundation when no longer serving in such office.~~

~~The Treasurer shall have the responsibility of performing or causing to be performed the following functions:~~

- ~~(i) to receive and keep in trust all monies of the Foundation and deposit same in the name of the Foundation in such bank or banks as may be designated by the Board of Directors.~~
- ~~(ii) to keep accurate records of all of the financial activities of the Foundation including receipts, disbursements, and all assets and liabilities. Such records shall be open for inspection by the Board of Directors at any time.~~
- ~~(iii) to turn over to the Board of Directors all records, monies, securities, and assets of every kind belonging Foundation when no longer serving in such office.~~

6.3 Succession in Office

~~If neither the Chair nor the Vice-Chair is able to perform the of the Chair for any reason, such duties shall be assumed by another officer in the following order of succession: Secretary; Treasurer.~~

6.4 Signing Checks, Notes, Etc.

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Unless otherwise provided by Resolution of the Board of Directors, all checks, notes or other obligations for the payment of money by the Foundation shall be signed by any two of the following of the Foundation: Chair, Vice Chair, President, Secretary, Treasurer, and Chief Financial Officer. A facsimile used for any signature aforementioned. All persons authorized to sign checks shall be bonded or insured with an approved corporate surety in such amounts as the Board may determine.

Article VII COMMITTEES OF THE BOARD OF DIRECTORS

7.1 — Designation

Committees of the Board of Directors may be standing or special. There shall be no standing committees except as created by adoption of a separate resolution by its Board.

7.2 — Special Committees

Special Committees may be appointed by the Chair with the concurrence of the Board of Directors for such special tasks as circumstances warrant. Such special committees shall limit their activities to the accomplishment of the task for which created and appointed and shall have no power to act except such as is specifically conferred by action of the Board of Directors. Upon completion of the task for which appointed, such special committees shall stand discharged.

7.3 — Membership

All committees shall consist of two or more persons as determined and appointed by the Chair. The Chair and the President shall serve ex-officio on all committees. The Chair shall so serve, with vote. The President shall so serve, without vote.

7.4 — Quorum

At a committee meeting, a quorum shall be one-half the number of persons on the committee entitled to vote.

Article VIII ENDOWMENT AND SPECIAL FUNDS

8.1 — Compliance with Corporate Purpose

The Articles of Incorporation of the Foundation state that the corporate purpose of the Foundation is to solely promote, by donation, loan, or otherwise, the interest of Allegheny General Hospital, Suburban Campus. Accordingly, no funds of any nature at any time held or received by the Foundation, including but not limited to gifts, bequests, or contributions, or the income earned thereon, shall at any time be used or expended for the benefit of any entity or person, or for any purpose, other than those specified in the amended and restated Articles of Incorporation of the Foundation. Similarly, the Foundation shall not accept any gift, bequest, or contribution if the purposes, terms, or conditions prescribed by the donor would be inconsistent with the corporate purpose of the Foundation.

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8.2 — Gifts, Bequests, Devises, and Contributions

~~All gifts, bequests, devises, and contributions received by the Foundation shall be used for the purpose for which they were given by the donor and in accordance with any terms and conditions given by the donor. Gifts, bequests, devises, and contributions received by the Foundation where no purpose, terms, or conditions are in writing donor, shall be used solely for the current work or other purpose of Allegheny General Hospital, Suburban Campus or set apart as Foundation endowment funds for such specific purposes as the , with the concurrence of the Board of Directors of Allegheny General Hospital, may determin~~

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8.3 — Trustees and Depositories

~~The Board of Directors of the Foundation may designate and appoint from time to time, as may become expedient, individual or corporate trustee(s) and depositories for endowment funds or other special funds, the individual trustee(s) to be members of the Fund Development and Investment Committee or an equivalent committee of said Board of Directors and the corporate trustee(s) and depositories to be selected from financial institutions qualified to do business in Pennsylvania.~~

8.4 — Accounts, Records, and Reports

~~The Board of Directors shall keep or cause to be kept accurate accounts, records and reports of all endowment funds and other special funds, and the Chair shall make an annual report to the members of the Board concerning the funds so set apart and held and the use made of such funds and of the income thereof.~~

Article IX DIRECTORS' LIABILITY

9.1 — Elimination of Certain Liability of Directors

~~A Director of the Foundation shall not be personally liable for monetary damages for any action taken or any failure to take any action as a Director unless (a) such Director has breached or failed to perform his duties relating to standard of care and justifiable reliance under section 8363 of the Pennsylvania Directors' Liability Act and (b) such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; this provision is intended to operate to the fullest extent required or permitted by Pennsylvania law, as the same exists or may be hereafter amended from time to time.~~

9.2 — Right to Indemnification

~~Except as prohibited by law, each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or Officer of the Foundation or is or was, as such Director or Officer, serving at the request of the Foundation as a Director, Officer, Fiduciary, Employee, or Agent of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a Director,~~

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~~Officer, Employee, or Agent or in any other capacity while serving as a Director, Officer, or by virtue of being a Director or Officer, as a Fiduciary, Employee, or Agent, shall be entitled to and shall be indemnified and held harmless by the Foundation to the fullest extent required or permitted by Pennsylvania law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Foundation to provide broader indemnification rights than said law permitted the Foundation to provide prior to such amendment), against all expense, liability, and loss (including, but not limited to, attorneys' fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a Director, Officer and shall inure to the benefit of his or her heirs, executors, administrators, or legal representatives.~~

4.5 ~~Non-Exclusivity~~ **Term of Office.** Directors shall serve one year terms. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, or until his or her earlier death, resignation, or removal. Directors may be re-elected for unlimited successor terms.

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4.6 **Vacancies.** Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term shall be filled by the Board of Directors of the Member.

4.7 **Meetings.**

(a) **Regular and Annual Meetings of the Board of Directors.** The Board of Directors shall hold regular meetings at such date, time and place as determined by the Board or the Chairperson. The annual organizational meeting of the Board of Directors shall be held on such date, time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.

(b) **Special Meetings.** Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, with the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.

(c) **Adjournment.** When a meeting of the Board of Directors is adjourned, it shall not be necessary to give any notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

(d) **Quorum.** Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

(e) **Voting and Action.** Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater

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proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.

(f) **Use of Conference Telephone.** Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting in such manner shall constitute presence in person at the meeting.

(g) **Action by Unanimous Written Consent.** Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

4.8 Resignation/Removal.

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(a) **Resignation.** Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) **Removal.** Any director may be removed, with or without cause, by the Board of Directors of the Member.

4.9 Limitation of Liability.

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(a) **Limitation of Liability.** To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

~~9.3~~(b) **Nature and Extent of Rights.** The provisions of this Section 4.9 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

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~~4.9The right to indemnification shall not be exclusive of any other right or rights which any person may have or hereafter acquire under any statute or provision of any articles of incorporation or by virtue of any bylaws, agreement, vote of disinterested directors or otherwise.~~

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~~9.4.10~~**No Compensation.** No Director shall receive compensation for acting as a Director. Directors who are also officers or employees of the Corporation may receive compensation for their services as officers or employees.

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4.11 Emeritus Directors. A member of the Board of Directors who has served the Corporation ~~Foundation~~ faithfully may be appointed an Emeritus Director by action of the Board of Directors of the Member. ~~Allegheny General Hospital.~~ The Board of Directors of the Corporation ~~Foundation~~ may submit recommendations for Emeritus Directors to the Board of Directors of the Member. ~~Allegheny General Hospital.~~ An Emeritus Director will be elected or re-elected for two-year terms and will be entitled to all the rights and privileges of a Director of the Board of Directors including service on committees, except the power to vote.

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ARTICLE V

OFFICERS

5.1 Officers Generally. The officers shall be a Chairperson, a Secretary, a Treasurer, a President and Chief Executive Officer, and such Vice Presidents and other subordinate officers as the Board of Directors shall designate, subject to the approval of [UPE]. All other officers need not, but may be, selected from among elected members of the Board of Directors.

5.2 Election of Officers. All officers of the Corporation, including the President and Chief Executive Officer, shall be elected to office by the Board of Directors, subject to the approval of [UPE] in accord with these Bylaws and shall hold office for terms of one year and until their successors are duly installed, subject in each case to an officer's earlier death, resignation or removal. Vacancies in any office may be filled by action of the Board of Directors, subject to the approval of [UPE].

5.3 Chairperson. The Chairperson shall preside at all meetings of the Board of Directors. The Chairperson shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

5.4 President and Chief Executive Officer. The President and Chief Executive Officer of the Corporation shall be an *ex officio* member of the Board and each committee of the Board. The President and Chief Executive Officer shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject, however, to the policies and directives of the Member and of the Board of Directors with regard to the matters as to which the Board of Directors is responsible, and to the provisions of the Corporation's Articles of Incorporation and Bylaws.

5.5 Secretary. The Secretary shall keep and properly record the minutes of the proceedings of the Board of Directors, notify officers of their election and committee members of their appointment, give notice of all meetings of the Board of Directors, have custody of the corporate seal and of all books and papers pertaining to the office, and generally shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.

5.6 Treasurer. The Treasurer shall receive and have custody of all funds, money, and income of the Corporation and shall deposit the same in such depository or depositories as the Board shall designate. The Treasurer shall have such authority, and shall perform all duties,

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ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

5.7 Resignation. Any officer may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.8 Removal. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, subject to the approval of [UPE].

ARTICLE VI

COMMITTEES OF THE BOARD OF DIRECTORS

6.1 Committees Generally. The Board of Directors, upon approval of the Member, shall establish such committees (standing or special) as the Board of Directors shall determine to be appropriate or necessary, with such authority and composition as the Board of Directors shall designate (subject to the rights and powers of the Member [UPE Provider Subsidiary], and [UPE] as set forth in these Bylaws and the limitations on delegation of Board authority under the Nonprofit Corporation Law).

6.2 Appointment of Committees. The members of any standing or special Committee shall be appointed by the Board of Directors. Each Committee shall include at least three directors, including *ex officio* members, and may include such other interested individuals as determined appropriate by the Board of Directors. The Chairperson and the President and Chief Executive Officer shall be *ex officio* members of all committees with the Chairperson having full voting privileges and the President and Chief Executive Officer not having the right to vote. Each member of a committee shall serve for a term of one year and until his or her successor has been appointed, subject to his or her earlier death, resignation or removal.

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6.3 Meetings of Committees. All standing Committees shall function under the direction of the Board of Directors and shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically required of them. Minutes shall be kept of each meeting of each Committee and such minutes shall be disseminated to all members of the Board of Directors, and to the Member.

6.4 Quorum; Act of Committee. The presence of a majority of the members of a Committee shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Approval of any matter before any Committee by a majority of those present at a meeting of a Committee where a quorum is present shall constitute approval of the applicable matter by the applicable Committee.

6.5 Resignation. Any Committee member may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of

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the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.6 Removal. Any Committee member may be removed, with or without cause, by the Board of Directors or the Member whenever in the judgment of the Board of Directors or the Member the best interests of the Corporation will be served thereby.

ARTICLE VII

INDEMNIFICATION

7.1 Right to Indemnification - General. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.

7.2 Right to Indemnification - Third Party Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

7.3 Right to Indemnification - Derivative Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the

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Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

7.4 Advance of Expenses. Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(c) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

7.5 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

7.6 Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.

7.7 When Indemnification Not Made. Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for

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indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

7.8 Grounds for Indemnification. Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9 Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

7.10 Creation of a Fund to Secure or Insure Indemnification. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article VII or otherwise.

7.11 Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article VII is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12 Applicability to Predecessor Companies. For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member,

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director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 7.11 of these Bylaws.

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

8.1 Contracts. Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8.2 Loans. Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

8.3 Checks. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

8.4 Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

ARTICLE IX

NOTICE AND CONDUCT OF MEETINGS

9.1 Written Notice. Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

9.2 Written Waiver of Notice. Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 Waiver of Notice by Attendance. Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

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9.4 Procedure. All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

ARTICLE X

MISCELLANEOUS

10.1 No Contract Rights. Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

10.2 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by [UPE].

ARTICLE XI

AMENDMENTS

~~10.1 Procedure~~

~~Subject to the delegation of powers to the Boards of Directors of Allegheny General Hospital and West Penn Allegheny Health System, Inc. pertaining to Amendment of these Bylaws as set forth at Article III, these Bylaws may be amended by a vote of a majority of all of the members of the Board of Directors of the Foundation at any regular or special meeting of said Board of Directors. Written notice of the meeting, and actions proposed to be taken thereat relative to the Bylaws, shall be mailed or hand-delivered to each member of said Board of Directors no less than ten days prior to the meeting at which action to amend these Bylaws will be taken. Further, such amendment is subject to approval or disapproval by the Boards of Directors of Allegheny General Hospital and West Penn Allegheny Health System, Inc. before it becomes effective. Approvals or disapprovals by said Boards shall be acted upon as soon as reasonably possible.~~

~~10.2 Annual Review~~

11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by [UPE], except as expressly set forth in Section 3.3(c)(ii) of these Bylaws. ~~These Bylaws shall be reviewed periodically (but no less often than annually) and revised as necessary. Following any such review or amendment described in Section I, the Bylaws shall be signed by the Chair and President to demonstrate approval by the Board of Directors and dated to indicate when last reviewed or revised.~~

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ARTICLE XII

CONFLICTS OF INTEREST

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

12.2 Recusal and Investigation. After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

12.3 Failure to Disclose. If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

12.4 Record of Actions. The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of

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interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

12.5 Compensation. Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

12.6 Annual Statements. Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new director or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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AMENDED AND RESTATED BYLAWS
OF
THE WESTERN PENNSYLVANIA HOSPITAL FOUNDATION
Pittsburgh, Pennsylvania 15224
As Revised September 18, 2008

Previous Revisions:

- July 28, 2005
- August 9, 2000
- April 3, 1998
- September 15, 1995
- February 1, 1990

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AMENDED AND RESTATED BYLAWS
OF
THE WESTERN PENNSYLVANIA HOSPITAL FOUNDATION

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~~ARTICLE I~~ **ARTICLE I**

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NAME AND ~~LOCATION~~ PURPOSES

~~Section 1.1.1~~ **Section 1.1.1 Name.** The name of the Corporation is The Western Pennsylvania Hospital Foundation (hereinafter, the "Corporation").

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~~1.2~~ **1.2 Principal Office.** The principal office of the Corporation shall be located at 4800 Friendship Avenue, Pittsburgh, Pennsylvania 15224 or at such other address as the Board of Directors shall determine.

Article II

PURPOSE, PARTICIPATION IN SYSTEM

~~2.1~~ **2.1 Purpose.** The purposes of the Corporation are as set forth in the Articles of Incorporation and include the following:

~~1.2~~ **1.2 (a) Soliciting, receiving, managing, investing and distributing Purposes.** The Corporation is organized under the Pennsylvania Nonprofit Corporation Law (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:

(a) To operate as part of the nonprofit regional health care system governed by [UPE], a Pennsylvania nonprofit corporation ("UPE"), and support a health care provider network comprised of the Member and those corporations and other entities over which the Member exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

(b) To solicit, receive, manage, invest and distribute funds which will promote and support by donation, loan or otherwise, the interests of ~~the~~ The Western Pennsylvania Hospital (the "Hospital") and West Penn Allegheny Health System, Inc. ("WPAHS"), each of which is exempt from ~~Federal~~ federal income taxation under section 501(a) of the Code as an

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organization described in section 501(c)(3) of the Code, and (ii) contributions to which are deductible under sections 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Code;

~~(c)~~ ~~(b)~~ — ~~Providing To provide~~ funds to further the ~~erection~~ construction, establishment, organization, equipment, operation, management and maintenance of ~~these corporations described in (a)~~ the Hospital;

~~(d)~~ ~~(e)~~ — ~~Carrying on To support or conduct~~ training, research, educational and supportive activities related to rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and ~~the~~ promotion of health; and

~~(e)~~ ~~(d)~~ — ~~Carrying on To conduct~~ any lawful activity in furtherance of the foregoing purposes, subject to limitations on its actions imposed under section 501(c)(3) of the Code.

~~2.2 — Participating in System. The Corporation is a constituent entity of the health care system serving Western Pennsylvania known as West Penn Allegheny Health System, Inc. (the "System") which, as of the date of the adoption of these bylaws, is comprised of the Corporation, certain affiliated hospitals and certain other affiliated organizations. These Bylaws, among other things, establish the relative authority and responsibility of the entities and individuals participating in the governance and management of the Corporation in its capacity as part of the System.~~

Article III

MEMBER

~~3.1 — Member. Subject to Section 9 of this Article III, the sole voting member of the Corporation shall be West Penn Allegheny Health System, Inc., Inc. (the "Member"), acting through its Board of Directors (the "Member Board"), or through its Executive Committee (the "Member Executive Committee") or designated officers of the Member (the "Designated Representatives") to the extent that the Member has, pursuant to its Bylaws or by resolution duly adopted by the Member Board, delegated its authority herein to the Member Executive Committee or to a Designated Representative; provided, however, that neither the Member Executive Committee nor any Designated Representative shall have the authority to act on behalf of the Member with respect to any of the actions identified in Section 2.B of this Article III.~~

~~3.2 — Powers and Rights of Member.~~

~~(a) — The Member shall have such powers and rights as are set forth in the PNCL and the Articles of Incorporation of the Corporation. Without limiting and in addition to such powers and rights, the Member shall have the exclusive authority to exercise the following powers:~~

~~(i) — Adopt and/or approve and interpret the statement of mission and philosophy of the Corporation, and require the Corporation to operate in conformance with its statement of mission and philosophy;~~

~~(ii) — Adopt and/or approve amendments or restatements of the bylaws and Articles of Incorporation of the Corporation, subject, however, to Section 9 of this Article III, and with respect to amendments of the following provisions in the bylaws and Articles of Incorporation of the Corporation, subject to prior notice to the Attorney General and the prior approval of the Orphans' Court: (i) provisions setting forth the purposes of the Corporation; (ii) provisions setting forth the powers reserved exclusively to the Member; (iii) provisions describing the manner in which the assets of the Corporation are to be distributed upon termination, dissolution or winding up of the Corporation; and (iv) provisions requiring notice to the Attorney General or approval of the Orphans' Court prior to the taking of certain action by the Corporation;~~

~~(iii) — Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the Directors; and elect and remove, with or without cause, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation; provided that no Director or officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors;~~

~~(iv) — Designate the administrative structure of the Corporation and, after consultation with the Board of Directors of the Corporation, elect and remove, with or without cause, the President and Chief Executive Officer and all vice presidents and other officers of the Corporation, provided that no officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Directors;~~

~~(v) — Cause or approve any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors;~~

~~(vi) — Approve or cause the Corporation to engage in any acquisition or any sale, lease, exchange, mortgage, pledge or other alienation of any personal property of the Corporation having a value in excess of an amount to be fixed from time to time by the Member or any real property of the Corporation;~~

~~(vii) — Adopt and/or approve any capital or operating budgets of the Corporation, and approve or direct any unbudgeted expenditure to be undertaken individually or collectively by the Corporation and any affiliated corporations controlled by the Corporation (other than unbudgeted expenditures which are required in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements), where the cumulative amount of such unbudgeted expenditures is in excess of an amount to be fixed from time to time by the Member;~~

~~(viii) — Adopt and/or approve any operating plan or financial plan with respect to the Corporation, and require the Corporation to comply with such operating or financial plan;~~

~~(ix) — Approve and/or cause the Corporation to undertake or engage itself in respect of any bond issuance or any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases (other than indebtedness to provide funds~~

~~for expenditures necessary in order for the Corporation to be in compliance with applicable laws, rules and regulations, and state licensing and accreditation requirements, to the extent such funds are not otherwise reasonably available), representing obligations of the Corporation in excess of an amount per annum in the aggregate established from time to time by the Member;~~

~~(x) — Establish and/or approve the criteria for, and conduct the evaluation of, the performance of the President and Chief Executive Officer and all vice presidents and officers of similar rank of the Corporation;~~

~~(xi) — Approve and/or cause the adoption by the Corporation of proposed settlements of litigation when such settlements exceed applicable insurance coverage or the amounts reserved in respect thereof of any applicable self-insurance fund;~~

~~(xii) — Approve and/or cause any corporate reorganization of the Corporation or the establishment or dissolution of any subsidiary organizations, including corporations, partnerships or other entities, of the Corporation;~~

~~(xiii) — Adopt and/or approve the strategic plan of the Corporation; and~~

~~(xiv) — Approve or direct the taking of any other action outside of ordinary course of business and such matters as are required to be submitted to corporate members of a Pennsylvania nonprofit corporation.~~

~~Except as otherwise required by the PNCL, and subject to Section 9 of this Article III, the action of the Member with respect to each of the foregoing actions shall be sufficient to approve such actions, no action by the Board of Directors of the Corporation shall be required with respect to any such actions, and, to the full extent permitted by law, no action of the Board of Directors with respect to any such actions shall be effective for any purpose without the approval of the Member.~~

~~(b) — Each of the following actions may be approved by the Member only through action of the Member Board, and not through action of the Member Executive Committee or any Designated Representative:~~

~~(i) — The adoption or approval of a statement of mission and philosophy of the Corporation;~~

~~(ii) — The adoption or approval of any amendments of the Bylaws or Articles of Incorporation of the Corporation;~~

~~(iii) — The approval of any merger, consolidation, division, conversion, or dissolution of the Corporation, or the filing of a petition in bankruptcy or execution of a deed of assignment for the benefit of creditors, or the sale or other disposition of all or substantially all of the assets of the Corporation;~~

~~(iv) — The election, appointment and removal of the Directors, the Chair and Vice Chair of the Board of Directors of the Corporation, and the Secretary and Treasurer of the Corporation; and~~

~~(v) The approval of any bond issuance or incurrence of any other indebtedness for borrowed money of the Corporation, or any lending of funds by the Corporation to an unrelated person, corporation or other legal entity, including without limitation any capital leases.~~

ARTICLE II

OFFICES

2.1 Registered Office. The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2 Business Offices. The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

ARTICLE III

MEMBERS

3.1 Member. The Corporation shall have one member, which shall be ~~WPAHS est Penn Allegheny Health System, Inc.~~ (the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of [UPE] as set forth in these Bylaws.

Section 3.3.2 Meetings of Member. Meetings of the Member may be held at such place within the Commonwealth of Pennsylvania as the Member may from time to time determine, or as may be designated in the notice of the meeting.

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(a) Annual Meeting of the Member. ~~Unless otherwise fixed by the Member, the~~ The annual meeting of the Member of the Corporation shall be held ~~in June of each year. At each annual meeting, (i) the Board of Directors shall present to at such date, time and place as~~ the Member an annual report regarding the financial performance of the Corporation, and (ii) the Member shall appoint the Board of Directors of the Corporation in accordance with Article IV and all officers that pursuant to the Bylaws are then to be appointed by the Member. If the annual meeting shall not be called and held within one (1) month of the date specified in this Article III, Section 4 or fixed by the Member in accordance with this Article III, Section 4, as applicable, any members of the Board of Directors and any officers theretofore appointed by the Member shall continue to serve unless removed by the Member (or unless the applicable member of the Board of Directors or officer resigns), and a special meeting may be held in place thereof with the same force and effect as the annual meeting, and in such case all references in these Bylaws, except in this Article III, Section 4, to the annual meeting of the Corporation shall be deemed to refer to determine to transact such special meeting. Any such special meeting shall be called and notice given as provided in Article III, Sections 5 and 7, as applicable.

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~~B. Immediately after each annual appointment of the Board of Directors by the Member at the annual meeting or a special meeting, the Board of Directors of the Corporation shall meet for the transaction of other business to be conducted by as may come before the Board of Directors at the place where the annual or special meeting of the Member was held. Notice of such meeting need not be given. If such meeting is to be held at any other time or place, notice thereof shall be given as provided in Article V, Section 2 for special meetings of the Board of Directors.~~

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Section 5.(b) Special Meetings of the Member. Special meetings of the Member shall may be held whenever called by the Chairperson of the Board of the Member or by one-third (1/3) of the members of the Board of Directors of the Corporation, or by written demand of the Member and shall be held at such date, time and place as shall be set forth in the notice of special meeting.

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~~(c) Action Without a Meeting-Notice of Meetings.~~ Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least ten (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five (5) days prior to the day named for the meeting in any other case.

Section 6.(d) Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the actions action so taken shall be signed by the Member, and filed with the Secretary of the Corporation.

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3.3 Notice Powers.

~~3.6 Meetings: Participation by Conference Telephone.~~

(a) Reserved Powers of Member

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(i) For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to [UPE Provider Subsidiary] and [UPE] with respect to actions by [UPE Provider Subsidiary] and [UPE] on matters reserved to [UPE Provider Subsidiary] and [UPE] under Sections 3.3(b) and 3.3(c) of these Bylaws. [UPE Provider Subsidiary] and [UPE] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member; and

~~(a)(ii)~~ The Board of Directors of the Member shall have plenary authority with regard to the following:

a) To determine the number of directors that will comprise the Board of Directors of the Corporation and its subsidiaries;

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b) To elect the directors of the Corporation and the directors of its subsidiaries; and

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c) To remove any of the directors of the Corporation and any of the directors of its subsidiaries, and to replace such directors for the unexpired portion of his or her term.

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~~(a) Unless otherwise provided in these Bylaws, whenever written notice is required to be given to the under the provisions of the Articles of Incorporation, these Bylaws, or the PNCL, it may be given by sending a copy thereof first class mail, postage prepaid, by personal delivery, or in the case of notices other than notices of meetings, by telecopy with confirmed receipt to the address of the Member appearing on the books of the Corporation. If the notice is sent by mail, it shall be deemed to have been given to the Member entitled thereto when deposited in the United States mail, postage prepaid. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these Bylaws, and, unless the meeting is an annual meeting, shall indicate that the notice is being issued by or at the direction of the person(s) calling the meeting. Notice of each meeting of the Member shall be given not less than five days before the date of the meeting, except in the case where fundamental changes to the Corporation under Chapter 59 of the PNCL will be considered, in which case such notice shall be given not less than ten days before the date of the meeting. Every such notice shall state the date, time and place of the meeting, and notices of special meetings of the Member shall also set forth the general nature of the business to be conducted at such meeting.~~

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~~(e) When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting and of the business to be transacted at an adjourned meeting in accordance with the provisions of this Article III, Section 7 if the day, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken.~~

~~(d) Whenever notice of a meeting is required, such notice need not be given to the Member if a written waiver of notice executed by the Member is filed with the records of the Corporation. Attendance by the Member at any meeting of the Member shall constitute a waiver by the Member of notice of such meeting, except where the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.~~

~~(e) One or more persons may participate in a meeting of the Member by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.~~

~~3.7 Resolutions. Whenever the language of a proposed resolution is included in a written notice of a meeting of the Member, the meeting considering the resolution may without Member notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.~~

~~3.8 Additional Members. Notwithstanding anything herein to the contrary, upon the occurrence of a Triggering Event (as defined below), then effective immediately and automatically upon the occurrence of such Triggering Event and without further action by the Member, the voting members of the Corporation shall include, in addition to the Member identified in Section 1 of this Article III hereof, all of the then-current members of the Board of Directors of the Corporation, and any reference in these bylaws to "the Member" shall be deemed to be a reference to "the Members" as identified in this Article III, Section 9, each of whom shall have one vote, and all of whom together shall have the authority that, but for operation of this Article III, Section 9, would be vested in the Member. From and after the occurrence of a Triggering Event, (i) a majority of the Members shall constitute a quorum at any meeting of the Members and (ii) the affirmative vote of two-thirds (or greater) of the whole number of Members shall be required to approve any matter to be voted on by the Members purposes of this Section, "Triggering Event" shall mean any of the following occurrences:~~

~~(i) a Final Determination (as defined below) shall have been entered denying the Member's application for recognition as an Exempt Organization (as defined below) or revoking the Member's status as an Exempt Organization;~~

~~(ii) the Member shall have taken all corporate action necessary to approve (x) the dissolution of the Member or (y) the filing by the Member of a voluntary petition in bankruptcy;~~

~~(iii) the Member shall have admitted in writing its inability to pay its debts as they come due; or~~

~~(iv) an involuntary petition for the dissolution and winding up of the Member shall have been filed, which such petition is not dismissed within 60 days of the filing thereof.~~

~~"Final Determination" shall mean a decision, judgment, decree or other order by the Internal Revenue Service or a court of competent jurisdiction which is final and unappealable, or which has become unappealable because the time for instituting an appeal has expired. "Exempt Organization" shall mean an organization exempt from federal income taxation pursuant to Section 501(a) of the Code as an Notwithstanding anything herein to the contrary, amendment of this Section 9 shall require approval of both the Member and at least two-thirds of the entire Board of Directors of the Corporation. Operating Reports. The Board of Directors of the Corporation shall submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

~~Article IV~~

~~THE BOARD OF DIRECTORS~~

~~(b) Powers and Responsibility. Subject to Article III hereof and to the other rights and powers of the Member specified herein or in the Articles of Incorporation or otherwise provided hereby or in the Articles of Incorporation or by law, the Board of Directors shall have~~

~~charge, control, and management of the administrative affairs, property~~**Reserved Powers of [UPE Provider Subsidiary]:**

The [UPE Provider Subsidiary] shall have the right and power to make recommendations to [UPE] with respect to actions by [UPE] on the matters reserved to [UPE] under Section 3.3(c) of these Bylaws. [UPE] shall have no obligation to approve any such recommendations, and [UPE] may take actions that have not been recommended by, or that are contrary to recommendations of, [UPE Provider Subsidiary].

(c) Reserved Powers of [UPE]:

(i) To approve the election, re-election and removal of all officers, including the President and Chief Executive Officer, of the Corporation and its subsidiaries;

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(ii) To amend, revise or restate the Corporation's Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's Articles of Incorporation and Bylaws that may be proposed or approved by [UPE Provider Subsidiary], the Member or Board of Directors of the Corporation; provided however, that [UPE] shall have no power to amend, revise or restate Section 3.3(a)(ii) or this proviso of Section 3.3(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) a majority of those Directors of the Member that are elected by UPE to serve as Directors of the Member, voting as a class, and (b) a majority of the Self-Perpetuating Directors (as defined in the Member's Bylaws) of the Member, voting as a class;

(iii) Subject to Section 7.5(i) of the Affiliation Agreement dated as of October 31st, 2011, among [UPE], [UPE Provider Subsidiary], Highmark Inc., WPAHS, Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [UPE Provider Subsidiary], the Member or the Board of Directors of the Corporation before such action becomes effective;

(vi) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom;

(vii) Subject to Section 7.6 of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and its subsidiaries or the making of capital expenditures

by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(viii) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets;

(ix) To approve strategic plans and mission statements of the Corporation and its subsidiaries;

(x) To approve investment policies of the Corporation and its subsidiaries;

(xi) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries;

(xii) Subject to Sections 7.5(i) and 7.6 of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiii) Subject to Section 7.5(i) and 7.6 of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xiv) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation, all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation; and

(xv) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.

Except as may otherwise be provided by the Nonprofit Corporation Law, [UPE] shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [UPE] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [UPE Provider Subsidiary] or other governing body or officer with respect to such action shall be necessary with respect hereto.

ARTICLE IV

BOARD OF DIRECTORS

4.1 Powers and Responsibility. Subject to Section 3.3 of these Bylaws, all powers of Corporation shall be vested in the Board of Directors, which shall have charge, control, and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to do and perform all ~~acts necessary and appropriate~~ functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation, ~~and or~~ applicable law, ~~in each case as amended.~~

~~Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and, except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:~~

~~(a) To set policies and provide for carrying out the purposes of the Corporation;~~

~~(b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;~~

~~(c) To adopt and amend from time to time. Such responsibility shall include without limitation implementation of such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable;~~

~~(d) To implement any operational or financial plan adopted by the Member and;~~

~~(e) To provide institutional management and planning. Without limiting the generality of the foregoing, the Board of Directors shall have power and authority to, and shall be responsible to,;~~

~~(f) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation. The Board of Directors shall also;~~

~~Section 1.(g) To~~ prepare, for the Member's review and approval, on such timetable as the Member shall establish, proposed annual budgets for the Corporation, which budgets shall be consistent with any operating plan or financial plan adopted or approved by the Member and then in effect; ~~and~~

~~(h) Composition of the Board: Appointment Qualifications. The Board of Directors shall be composed of not fewer than five nor more than twenty voting members, exclusive of non-voting ex officio Directors. The exact number of voting Directors shall be as fixed from time to time by the Member, except that as of the date of adoption of these bylaws, the Board of Directors of the Corporation shall be comprised of the members identified on Exhibit A hereto, each having the term identified for such individual by the Member (and any individuals serving as Directors immediately before the effectiveness of these bylaws who are not identified on Exhibit A shall be deemed removed immediately upon such effectiveness).~~

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~~Directors shall generally be appointed at the annual meeting of the Member, but may be appointed at any regular or special meeting of the Member, provided that, except for the *ex officio* Directors specified in Section 4 of this Article, the Board of Directors shall not include full-time employees of the Member, of the Corporation or of any of the other "Constituent Corporations" as defined in the Bylaws of the Member. Each Director of the Corporation shall be a natural person of at least eighteen years of age, of good moral character and who enjoys a good reputation in the community, and who, by his or her experience, community interest, or prior action, demonstrates a willingness to devote time and talent to the affairs of the Corporation and to exercise his or her judgment with undivided loyalty to the Corporation. To submit operating reports to the Member in such form and on such schedule as shall be established by the Member. Such operating reports shall reflect the results of operations of the Corporation and of any affiliates of the Corporation that are controlled by the Corporation.~~

Section 2.4.2 Election of Directors. ~~Directors of the Corporation shall be elected by the Board of Directors of the Member as prescribed by Section 3.3(a) of these Bylaws. Each Director shall further satisfy the requirements set forth in Section 9 of this Article IV 4.3 of these Bylaws.~~

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~~4.3 — Term of Office. Subject to Section 5 of this Article IV, Directors, other than *ex officio* Directors, shall serve for one, two or three year terms, as specified by the Member. In the event that the Member elects to classify the Board of Directors for purposes of staggering their respective terms of office, then the number of Directors assigned to each class shall be as nearly equal as possible to those assigned to each other class. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, except that an *ex officio* Director shall retain his or her position as Director only during his or her tenure in the position from which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal. Directors may be re-elected for unlimited successor terms.~~

~~4.4 — *Ex Officio* Directors.~~

4.3 Number/Qualifications.

(a) **Composition.** ~~The Board of Directors shall consist of such number of persons as the Board of Directors of the Member may determine, but in no case less than five (5) members, excluding the *ex officio* Directors. The following persons shall serve as *ex officio* Directors of the Corporation with vote:~~

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~~(1)(i) President and Chief Executive Officer of the Member, or the designee of the President and Chief Executive Officer of the Member who shall be a member of senior management of the Member;~~

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~~(2)(ii) President and Chief Executive Officer of the Corporation; and~~

~~(3)(iii) Board Chairperson of the Member, or the designee of the Board Chairperson of the Member who shall be a director of the Member. President and Chief Executive Officer (or such successor position) of The Western Pennsylvania Hospital.~~

In the event that any individual holds multiple *ex officio* positions ~~such individual shall have~~ one vote. ~~If designees are selected to serve on the Board of Directors in accordance with this Section 4.3(a), such designees may be removed and replaced at any time or from time to time by the person making such designation in such person's sole discretion. In the event that any such designees cease to meet the eligibility criteria to serve as directors as set forth herein, such designees shall be automatically removed from the Board with no further action being required on the part of any person.~~

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~~4.5 — Removal, Resignation, Vacancies.~~

~~(a)(b) The Member~~**Certain Qualifications.** ~~No individual may, in its discretion, remove any Director at any time, with or without cause, upon 10 days prior notice be elected to the Board of Directors. Without limiting the generality of the foregoing, upon such notice the Member may, in its discretion, remove and replace all or a portion of the Board of Directors if the Member determines that the Corporation has failed to comply with any operating or financial plan adopted or approved by the Member. Unless such removal notice is revoked by the Member during the 10-day notice period, any such removal shall be effective immediately upon expiration of the notice period.~~

~~(b) Any Director may resign from office with or without cause, by delivering a written statement of resignation to the Secretary of the Corporation. Any such resignation shall take effect immediately upon its receipt by the Secretary of the Corporation, unless a later effective time or date for the resignation is specified in the notice of resignation.~~

~~(c) Any person appointed to fill a vacancy the individual is eligible to serve on the Board of Directors shall be appointed for the unexpired term of the Director whose death, resignation, or removal gave rise pursuant to the applicable vacancy.~~

~~4.6 — Orientation of Directors.~~ Newly elected or appointed Directors shall be oriented to the functions and procedures of the Board of Directors. Such orientation shall be carried out under the supervision of the President and Chief Executive Officer.

~~4.7 — No Compensation.~~ No Director shall receive any compensation for acting as a Director. Directors who are officers or employees of the Corporation may receive compensation for those duties.

~~Section 8. Review of Bylaws~~law, the Articles of Incorporation and these Bylaws. The Board of Directors shall review these Bylaws of the Corporation annually, and based on such review, may propose amendments to these Bylaws to the Member of the Corporation. Each director shall be a natural person of at least 18 years of age.—

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~~4.9 — Conflict of Interest.~~ Directors shall exercise good faith in all transactions touching upon their duties at the Corporation and its property. No director shall use his or her position, or knowledge gained therefrom, in any way that might give rise to a conflict between the interest of the Corporation and that of the individual Director. The Board of Directors shall adopt a conflict of interest policy, and each Director and officer of the Corporation shall agree in writing to be bound thereby as a prerequisite to his or her qualification as a Director or officer, as the case may be.

Article V

MEETINGS OF THE BOARD OF DIRECTORS

(c) **Independence.** At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

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(d) **SEC Actions.** Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

(e) **Age Limitations.** No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

4.4 Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors. The Chairperson shall not be an employee of the Corporation.

4.5 Term of Office. Directors, other than *ex officio* directors, shall serve one year terms. Each Director shall retain his or her position as Director until his or her successor shall be duly appointed and qualified or until his or her earlier death, resignation or removal, except that an *ex officio* Director shall retain his or her position as Director only during his or her tenure in the position from which his or her respective *ex officio* status is derived, or until his or her earlier death, resignation, or removal. Directors may be re-elected for unlimited successor terms.

4.6 Vacancies. Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term shall be filled by the Board of Directors of the Member.

4.7 Meetings.

Section 3(a) Regular and Annual Meetings of the Board of Directors. The Board of Directors shall hold regular meetings at such date, time and place as determined by the Board or the Chair; provided that the Board shall meet not less than four times per year. The Annual Meeting shall be held as provided in Article III, Section 4 of these Bylaws. Notice of any meeting shall be mailed, personally delivered or faxed to each Director entitled to vote at least 5 days prior to the annual organizational meeting to the Director's address (or fax number) on the books of the Corporation. Voting by proxy shall not be permitted at any meeting. Special Meetings. Special meetings may be held at any time upon call of the Member or the Chair or upon receipt by the President and Chief Executive Officer of the written request of at least three Directors. Quorum. A majority of the entire Board of Directors (without counting non-voting *ex officio* Directors) shall constitute a quorum at any regular meeting. Once a quorum is established, subsequent withdrawal of individuals to less than a quorum shall not affect the

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~~validity of any subsequent action taken at the meeting. Except as otherwise required by the PNCL, approval of any matter before the shall be held on such date, time and place as shall be determined by the Board of Directors by a majority of the Directors present at a meeting shall constitute approval of the applicable matter by the Board, without further notice than the resolution setting such date, time and place.~~

~~5.2 — Action Without a Meeting. Any action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if consent in writing setting forth such action is signed by all of the Directors entitled to vote or members of the committee, and is filed in the minutes of the proceedings of the Board or of the committee.~~

~~5.3 — Rules of Conduct. Meetings of the Board of Directors and Committees of the Board of Directors will be conducted in accordance with such rules as may be established by the Board of Directors.~~

~~(b) Participation by Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, with the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.~~

~~(c) Adjournment. When a meeting of the Board of Directors is adjourned, it shall not be necessary to give any notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.~~

~~(d) Quorum. Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.~~

~~(a)(e) Voting and Action. Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.~~

~~(b)(f) Use of Conference Telephone. One or more Directors or members of a Committee established pursuant hereto Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or such Committee by of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting pursuant to this subsection in such manner shall constitute presence in person at such meeting. Waiver of Notice. Whenever any written notice is required to be given under the provisions of the these bylaws or the PNCL, such notice need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.~~

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(g) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

4.8 Resignation/Removal.

(a) Resignation. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any director may be removed, with or without cause, by the Board of Directors of the Member.

4.9 Limitation of Liability.

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

(b) Nature and Extent of Rights. The provisions of this Section 4.9 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

4.10 No Compensation. No Director shall receive compensation for acting as a Director. Directors who are also officers or employees of the Corporation may receive compensation for their services as officers or employees.

ARTICLE VI

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OFFICERS

Section 1.5.1 Officers Generally. The officers shall be a Chairperson, a Secretary, a Treasurer, a President and Chief Executive Officer, and such Vice Presidents and other subordinate officers as the Member shall designate. ~~The Chair, Secretary, and Treasurer shall be appointed from among the elected (i.e., non-ex-officio) members of the Board of Directors shall designate, subject to the approval of [UPE]. All other officers need not, but may, be selected from among such elected members of the Board of Directors. No full-time employee of the Member or of the Corporation shall be eligible to serve as Chair of the Corporation.~~

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Section 2.5.2 Election Appointment of Officers. All officers of the Corporation, including the President and Chief Executive Officer, shall be elected to office by the Board of Directors, subject to the approval of [UPE] in accord with these Bylaws and shall hold office for terms of one year and until their successors are duly installed, subject in each case to an officer's earlier death, resignation or removal. Vacancies in any office may be filled by action of the Member after consultation with the Board of Directors of the Corporation. So long as the Member is the sole Member of the Corporation, officers shall be appointed from among candidates nominated by the Nominating Committee of the Member, provided that no full-time employee of the Member or of the Corporation shall be eligible to serve as Chair or Vice Chair of the Corporation. Nothing contained herein shall be construed as prejudicing any officer's rights with respect, subject to compensation under any employment agreement with the Corporation, to the approval of Board of Directors, subject to the approval of [UPE].

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Section 3.5.3 Chairperson. The Chair shall preside at all meetings of the Board of Directors, and at the Annual Meeting of the Member each year shall present the report of the Board of Directors. The Chair shall be responsible to review the performance of the Board of Directors on an annual basis, and to report on such performance to the Member. The Chair shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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Section 4.5.4 President and Chief Executive Officer. The President and Chief Executive Officer of the Corporation shall be an *ex officio* member of the Board and each committee of the Board. The President and Chief Executive Officer shall have all authority and responsibility necessary to operate the Corporation in all its activities, subject, however, to the policies and directives of the Member and of the Board of Directors with regard to the matters as to which the Board of Directors is responsible, and to the provisions of the Corporation's Articles of Incorporation and Bylaws.

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6.5 Vice Chair. The Vice Chair shall perform the duties of the Chair when for any reason the Chair is unable to perform the same.

Section 6.5.5 Secretary. The Secretary shall keep and properly record the minutes of the proceedings of the Board of Directors, notify officers of their election and committee members of their appointment, give notice of all meetings of the Board of Directors and the Executive Committee, have custody of the corporate seal and of all books and papers pertaining to the office, and generally shall have such authority, and shall perform all duties, ordinarily required of an officer in like position.

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Section 7.5.6 Treasurer. The Treasurer shall receive and have custody of all funds, money, and income of the Corporation not otherwise specifically provided for by the Member and shall deposit the same in such depository or depositories as the Board shall designate. The Treasurer shall have such authority, and shall perform all duties, ordinarily required of an officer in like position, and such other authority and duties as may be assigned by the Member.

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Section 8.5.7 Resignation. Any officer may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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Section 9.5.8 Removal. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, subject to the approval of [UPE]. ~~the Member whenever in the judgment of the Member the best interests of the Corporation will be served thereby. Nothing contained herein shall be construed as prejudicing any officer's rights with respect to compensation under any employment agreement with the Corporation.~~

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~~ARTICLE V~~ARTICLE VI

COMMITTEES OF THE BOARD OF DIRECTORS

Section 4.6.1 Committees Generally. The Board of Directors, ~~upon direction of the Member,~~ shall establish the following committees, and, upon ~~the~~ approval of the Member, may establish such ~~other~~ committees (standing or special) as the Board of Directors shall determine ~~to be to establish~~ appropriate or necessary, with such authority and composition as the Board of Directors shall ~~determine~~ designate (subject ~~only~~ to the rights and powers of the ~~Members~~Member, [UPE Provider Subsidiary] and [UPE] as set forth in ~~the PNCL, the Articles of Incorporation, and~~ these Bylaws ~~and the limitations on delegation of Board authority under the Nonprofit Corporation Law):~~ ~~:-, and the limitations or delegation of the Board's authority pursuant to the PNCL):~~;

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- (a) Executive Committee
- (b) Finance Committee
- (c) Strategic Planning and Capital Development Committee
- (d) Research Committee
- (e) Scientific Advisory Committee

7.26.2 Powers of the Executive Committee. From and after its establishment, the Executive Committee shall have and may exercise the powers of the Board of Directors in the management of the business affairs of the Corporation, except that the Executive Committee shall not have authority with respect to any of the following matters:

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- (a) The submission to ~~the Member, [UPE Provider Subsidiary or UPE]~~ ~~the Member~~ of any action requiring approval of ~~the Member, [UPE Provider Subsidiary or UPE]~~ ~~the Member~~;
- (b) Amending or repealing any resolution of the Board of Directors; or
- (c) Approving any matters which pursuant to the Bylaws or resolution of the Board of Directors is reserved to another established ~~Ce~~committee of the Board.

7.36.3 Finance Committee. From and after its establishment, this Committee shall review and recommend to the Board of Directors the annual budget to be proposed to ~~[UPE]the Member~~, establish and review periodic budgetary reports and meet with the Corporation's independent auditors following receipt of the annual audit. This Committee shall also review and recommend the financial plan of the Corporation. This Committee shall meet at least quarterly to review the budget and financial performance of the Corporation and its affiliates, and to review and recommend approval or disapproval of any proposed unbudgeted expenditures by the Corporation where the cumulative amount of such unbudgeted expenditures is in excess of the amount fixed from time to time by ~~[UPE]the Member~~.

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7.46.4 Strategic Planning and Capital Development Committee. From and after its establishment, this Committee shall propose long range plans for the Corporation for the consideration of ~~[UPE]the Member~~, with the goal of constantly improving services, facilities and programs. These plans shall be periodically reviewed and revised by the Committee, and shall be subject to approval by ~~[UPE]the Member~~.

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7.56.5 Research Committee. From and after its establishment, this Committee shall be charged with responsibility for approving all research projects and internal or external funding therefore to be conducted at the Corporation's building or under the auspices of the Corporation.

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7.66.6 Scientific Advisory Committee. From and after its establishment, this Committee shall assist the organization in setting the scientific direction for the Corporation and shall periodically measure the progress of achievement of the goals of the Corporation and report such information to the Board of Directors.

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Section 7.6.7 Appointment of Committees. The members of any standing or special Committee shall be appointed by the Board, ~~and so long as the Member is the sole Member of the Corporation, such appointment shall be from among individuals nominated by the Nominating Committee of the Member,~~ of Directors. Each Committee shall include at least three ~~Directors~~directors, including *ex officio* members, and may include such other interested individuals as determined appropriate by the Board of Directors. The ~~Chair~~Chairperson and the President and Chief Executive Officer shall be *ex officio* members of all committees with full voting privileges. Each ~~other~~ member of a committee shall serve for a term of one year and until his or her successor has been appointed, subject to his or her earlier death, resignation or removal.

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Section 8.6.8 Meetings of Committees. All standing Committees shall function under the direction of the Board of Directors and shall meet as often as necessary to transact their business and shall make such reports as they may deem necessary or which may be specifically required of them. Minutes shall be kept of each meeting of each Committee and such minutes shall be disseminated to all members of the Board of Directors, and to the Member.

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Section 9.6.9 Quorum; Act of Committee. ~~A~~The presence of a majority of the members of a Committee shall constitute a quorum for the transaction of business. Once a quorum has been established, subsequent withdrawal of committee members so as to reduce the number of members present to less than a quorum shall not affect the validity of any subsequent action taken at the meeting. Approval of any matter before any Committee by a majority of

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those present at a meeting of a Committee where a quorum is present shall constitute approval of the applicable matter by the applicable Committee.

6.56.10 Resignation. Any Committee member may resign at any time by giving written notice thereof to the Chairperson, the President and Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect on the date of receipt of such notice by one of the above-specified officers, or at such later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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6.66.11 Removal. Any Committee member may be removed, with or without cause, by the Board of Directors or the Member whenever in the judgment of the Board of Directors or the Member the best interests of the Corporation will be served thereby, ~~provided that if any Committee member is removed by the Member, at least 10 days advance notice of such removal shall be given by the Member to the Board of Directors.~~

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Article VIII

FISCAL YEAR AND ANNUAL REPORT

~~8.1 — Fiscal Year.~~ the Fiscal Year of the Corporation shall begin on the first day of July of each year and end on the last day of June of the succeeding year;

~~8.2 — Annual Report.~~ As soon as may be convenient following the close of the Fiscal Year, the Board of Directors may cause to be published for general distribution an Annual Report containing such information regarding the work and affairs of the Corporation for the preceding Fiscal Year as in their discretion may be deemed advisable.

Article IX

SEAL

~~9.1 — Seal.~~ The seal of the Corporation shall be in such form as may be approved by the Board of Directors.

Article X

LIABILITY OF DIRECTORS

~~10.1 — Standard of Care and Fiduciary Duty.~~ Each Director shall stand in a fiduciary relation to this Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

~~(a) one or more officers or employees of this Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;~~

~~(b) counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and~~

~~(c) a committee of the Board of this Corporation upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence~~

~~A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his reliance to be unwarranted.~~

~~10.2 Limitation on Liability. Neither the Member nor any Director of the Corporation shall be personally liable for monetary damages for any action taken, or any failure to take any action, provided however, that this provision shall not eliminate or limit the liability of the Member or any Director to the extent that such elimination or limitation of liability is expressly prohibited by, Section 5713 of the PNCL, as in effect at the time of the alleged action or failure to take action by such Member or Director.~~

~~Section 3.reservation of Rights. Any repeal or modification of this Article shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Member, Director or former Member or Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be the Member or a Director of the Corporation and shall inure to the benefit of the successors, heirs, executors, and administrators of such person.~~

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~~ARTICLE XI~~ARTICLE VII

INDEMNIFICATION

~~Section 3.7.1 Mandatory Right to Indemnification of Directors and Officers. The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each Director and officer (including each former Director or officer) of the Corporation. General. Any person who was or is a party or is threatened to be made a party to ~~or a witness in~~ any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that ~~the Director~~he or ~~officer~~she is or was an authorized representative of the Corporation, or is or was serving at the ~~written~~ request of the Corporation as a representative of another ~~domestic or foreign corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Director or officer in connection with such action, suit or proceeding if such Director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.~~Mandatory Advancement of Expenses to Directors and Officers. The Corporation shall pay expenses (including attorneys' fees) incurred~~

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~~by a Director or officer of the Corporation referred to in Section 1 of this Article XI in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 1 of this Article XI in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI.~~Permissive Indemnification and Advancement of Expenses. The Corporation may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person who was or is or is threatened to be made a party to or a witness in, or is otherwise involved in, any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an authorized representative of the Corporation or is or was serving at the request of the Corporation as a representative of another domestic or foreign to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation for profit or not for profit, partnership, joint venture, trust or other enterprise, both as to action in his official capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Corporation may, as determined by the Board of Directors from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as provided in Section 4 of this Article XI at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or member of a committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.

~~11.2 Scope of Indemnification.~~ Indemnification under this Article shall not be made by the Corporation in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by Chapter 57, Subchapter D of the PNCL or any successor statute as in effect at the time of such alleged action or failure to take action.

7.2 Miscellaneous. Each Director and officer of the Corporation shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of **Right to Indemnification - Third Party Actions.** Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the

Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

7.3 Right to Indemnification - Derivative Actions. Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

7.4 Advance of Expenses. Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(c) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

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7.5 Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under Sections 7.1, 7.2 or 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

(a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Section 5.7.6 Indemnification Not Exclusive. ~~The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of members (if any), disinterested Directors, statute, directors or otherwise, both as to action in such person's his or her official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators and personal representatives of such person. Any repeal or modification of this Article by the members (if any) or the Board of Directors of the Corporation shall not adversely affect any right or protection existing at the time of such appeal or modification to which any person may be entitled under this Article.~~

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~~**11.4 Definition of Authorized Representative.** For the purposes of this Article, the term, "authorized representative" shall mean a director, officer (including a former director of officer), or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Corporation or by any collimation controlled by the Corporation, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the written request of the Corporation. The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Corporation, and shall not include (i) agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors, or (ii) any scientist in his or her teaching or research capacity.~~

~~**7.7 Funding to Meet Indemnification Obligations.** Subject to the approval of the Member, the Board of Directors shall have the power to borrow money on behalf of the Corporation, including the power to pledge the assets of the Corporation, from time to time to discharge the Corporation's obligations with respect to indemnification, the advancement and reimbursement of expenses, and the purchase and maintenance of insurance for the benefit of the Corporation and any person indemnified pursuant hereto. Upon the approval of the Member, the **When Indemnification Not Made.** Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.~~

~~**7.8 Grounds for Indemnification.** Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not~~

the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9 Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

~~Section 7.10~~ Creation of a Fund to Secure or Insure Indemnification. The Corporation may, ~~in lieu of or in addition to the purchase and maintenance of insurance, establish and maintain~~ create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising ~~under or pursuant to this Article VII~~ or otherwise.

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Article XII

~~AMENDMENTS OF THESE BYLAWS AND/OR THE ARTICLES OF INCORPORATION OF THE CORPORATION~~

~~The power to amend, modify, alter or repeal these Bylaws or the Articles of Incorporation, is hereby exclusively vested in the Member of the Corporation subject, however, to Section 9 of Article III, and with respect to amendments of the following provisions in the bylaws and Articles of Incorporation of the Corporation, subject to prior notice to the Attorney General and the prior approval of the Orphans' Court: (i) provisions setting forth the purposes of the Corporation; (ii) provisions setting forth the powers reserved exclusively to the Member; (iii) provisions describing the manner in which the assets of the Corporation are to be distributed upon termination, dissolution or winding up of the Corporation; and (iv) provisions requiring notice to the Attorney General or approval of the Orphans' Court prior to the taking of certain action by the Corporation.~~

Article XIII

SUBVENTIONS

~~The Corporation shall be authorized by resolution of the Board of Directors or the Member to accept subventions from the Member or nonmembers on terms and conditions not inconsistent with PNCL § 5542, and to issue certificates therefor. The resolution of the Board of Directors or the Member may provide that the holders of subvention certificates shall be entitled to a fixed or contingent periodic payment out of the corporate assets equal to a percentage of the~~

~~original amount or value of the subvention. The rights of holders of subvention certificates shall at all times be subordinate to the rights of creditors of the Corporation.~~

~~****~~

~~EXHIBIT A~~

~~Name _____ Term~~

~~**7.11 Status of Rights of Indemnities.** The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article VII is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.~~

~~**7.12 Applicability to Predecessor Companies.** For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 7.11 of these Bylaws.~~

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

~~**8.1 Contracts.** Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.~~

~~**8.2 Loans.** Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.~~

~~**8.3 Checks.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed~~

by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

8.4 Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

ARTICLE IX

NOTICE AND CONDUCT OF MEETINGS

9.1 Written Notice. Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

9.2 Written Waiver of Notice. Whenever any written notice is required as set forth in these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.3 Waiver of Notice by Attendance. Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

9.4 Procedure. All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

ARTICLE X

MISCELLANEOUS

10.1 No Contract Rights. Except as specifically set forth in Section 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

10.2 Corporate Seal. The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

10.3 Fiscal Year. The fiscal year of the Corporation shall end on such day as shall be fixed by [UPE].

ARTICLE XI

AMENDMENTS

11.1 Amendments. These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by [UPE], except as expressly set forth in Section 3.3(c)(ii) of these Bylaws.

ARTICLE XII

CONFLICTS OF INTEREST

12.1 Disclosure. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

12.2 Recusal and Investigation. After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

12.3 Failure to Disclose. If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the

Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

12.4 Record of Actions. The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

12.5 Compensation. Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

12.6 Annual Statements. Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new director or committee member shall be advised of the policy upon entering into the duties of his or her office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

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Docketing Statement (Changes)
DSCB:15-134B

BUREAU USE ONLY:

Revenue Labor & Industry

Other _____

File Code _____ Filed Date _____

Part I. Complete for each filing:

Current name of entity or registrant (survivor or new entity if merger or consolidation):
Alle-Kiski Medical Center Trust

Entity number, if known: **3276777** Incorporation/qualification date in PA: **January 18, 2005**

State of Inc: **PA** Federal EIN: **20-5855753** Specified effective date, if any: **upon filing**

Part II. Check proper box:

Amendment (complete Section A) Merger, Consolidation or Division (complete Section B, C or D)

Consolidation (complete Section C) Division (complete Section D)

Conversion (complete Section A & B) Correction (complete Section A)

Termination (complete Section H) Revival (complete Section G)

Dissolution before Commencement of Business (complete Section F)

Section A - Check box(es) which pertain to changes:

____ Name: _____

____ Registered Office: Number & street/RD. number & box number City State Zip County

Purpose: **See Exhibit A to Articles of Amendment**

____ Stock (aggregate number of shares authorized): _____ Effective date: _____

____ Term of Existence: _____ Other: _____

Section B - Merger Complete Section A if any changes to surviving entity:

Merging Entities are: (attach sheet for additional merging entities)

Name: _____

Entity #, if known: _____

Effective date: _____

Inc./qual. date in PA. _____

State of Inc. _____

Name: _____

Entity #, if known: _____

Effective date: _____

Inc./qual. date in PA. _____

State of Inc. _____

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Articles of Amendment-Domestic Corporation
(15 Pa.C.S.)

Business Corporation (§ 1915)
 Nonprofit Corporation (§ 5915)

Name		
Address		
City	State	Zip Code

Document will be returned to the name and address you enter to the left.



Fee: \$70

In compliance with the requirements of the applicable provisions (relating to articles of amendment), the undersigned, desiring to amend its articles, hereby states that:

1. The name of the corporation is:
Alle-Kiski Medical Center Trust

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
1301 Carlisle Street,	Natrona Heights,	PA	15065	Allegheny

(b) Name of Commercial Registered Office Provider _____ County _____
c/o _____

3. The statute by or under which it was incorporated: **Nonprofit Corporation of Law of 1988**

4. The date of its incorporation: **January 18, 2005**

5. Check, and if appropriate complete, one of the following:

The amendment shall be effective upon filing these Articles of Amendment in the Department of State.
 The amendment shall be effective on: _____ at _____
Date Hour

6. Check one of the following:

- The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. § 1914(a) and (b) or § 5914(a).
- The amendment was adopted by the board of directors pursuant to 15 Pa. C.S. § 1914(c) or § 5914(b).

7. Check, and if appropriate, complete one of the following:

The amendment adopted by the corporation, set forth in full, is as follows

The amendment adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

8. Check if the amendment restates the Articles:

The restated Articles of Incorporation supersede the original articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this

_____ day of _____,

Alle-Kiski Medical Center Trust

Name of Corporation

Signature

Title

EXHIBIT A

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF ALLE-KISKI MEDICAL CENTER TRUST

In compliance with the requirements of ~~15 Pa.C.S. § 5306~~, the ~~undersigned~~, ~~being~~ Pennsylvania Nonprofit Corporation Law of ~~full age and desiring to incorporate~~ 1988, Alle-Kiski Medical Center Trust, a Pennsylvania nonprofit corporation, (the "Corporation"), hereby ~~certifies~~ amends and restates its Articles of Incorporation as follows, which Amended and Restated Articles supersede the original Articles of Incorporation and all amendments thereto:

~~FIRST:~~

1. Corporate Name. The name of the Corporation is Alle-Kiski Medical Center Trust (~~hereinafter the "Corporation"~~).

- ~~SECOND:~~ ~~The~~ 2. Registered Office. The location and post office address of the Corporation's registered office in this Commonwealth is 1301 Carlisle Street, Natrona Heights, PA 15065, ~~located in the county of Allegheny.~~

- ~~THIRD:~~ ~~3.~~ Organization and Purpose. The Corporation is ~~incorporated~~ organized under the Pennsylvania Nonprofit Corporation Law of 1988.

~~FOURTH:~~ ~~The~~ (the "Nonprofit Corporation ~~is formed and is to be operated exclusively~~ Law"), for charitable, scientific, and educational purposes ~~in such a manner that the Corporation will be an organization described in~~, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") ~~by:~~

- a) ~~Soliciting, receiving, managing, investing~~"), and distributing in this connection is organized:

- (a) To operate as part of the nonprofit regional health care system governed by [UPE], a Pennsylvania nonprofit corporation ("UPE"), and support a health care provider network comprised of the Member and the System (as defined below) and those corporations and other entities over which the System exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;
- (b) To solicit, receive, manage, invest and distribute funds which will promote and support by donation, loan or otherwise, the interests of the Alle-Kiski Medical

Center, ~~a corporation~~(i) which is a corporation exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, and (ii) contributions to which are ~~deductable~~deductible under Sections 170(c)(2), 2055(a)(2) and 2522 (a)(2) of the Code;

~~b) Providing~~(c) To provide funds to further the ~~erection~~construction, establishment, organization, equipment, operation, management and maintenance of ~~the corporation described in (a)~~Alle-Kiski Medical Center;

~~e) Carrying on~~(d)To support or conduct training, research, educational and supportive activities related to rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and ~~the~~ promotion of health; and

~~d) Carrying on~~(e)To conduct any lawful activity in furtherance of the foregoing purposes, subject to limitations on its actions imposed under Section 501(c)(3) of the Code.

~~FIFTH: 4.~~ Pecuniary Gain or Profit. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

~~SIXTH: 5.~~ Non-Stock Basis. The Corporation is organized upon a nonstock basis.

~~SEVENTH: The Member or~~ 6. Members. The Corporation shall have a single member which shall be ~~the entity~~Alle-Kiski Medical Center (the "Member").

7. Management. Except for those powers reserved to the Member, West Penn Allegheny Health System, Inc., [Provider Subsidiary Entity] and ~~or persons identified as such~~ [UPE] in the Corporation's Bylaws. ~~As such, the Member or Members shall have all of the rights~~Corporation, the affairs and privileges conferred upon nonprofit corporate Members business of the Corporation shall be managed by or under the ~~laws of the Commonwealth of Pennsylvania, except as otherwise specified~~direction of the Board of Trustees. The number, term of office, method of selection and manner of removal of the Board of Trustees shall be set forth in the Bylaws of the Corporation.

~~EIGHTH: The name and address of the incorporator is:~~

~~Judy J. Hlafesak
Allegheny General Hospital
320 East North Avenue
16th Floor, South Tower
Pittsburgh, PA 15212~~

~~NINTH: 8.~~ Exempt Organization. Notwithstanding any other provision herein, the Corporation ~~is organized and is to be operated exclusively for one or more of the purposes specified in section 501(c)(3) of the Code and shall neither have nor exercise any power, nor shall it~~shall not engage directly or indirectly in any activity ~~that~~which would ~~invalidate (i) its status~~prevent it from qualifying, and continuing to qualify, as a corporation

which is exempt from Federal income taxation under section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, and (ii) its status (hereinafter referred to in these Articles as an "exempt organization,"), or as a corporation contributions to which are deductible under sections ~~Section~~ 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Code.

TENTH: ~~————~~ No part of the net earnings of the Corporation shall inure to the benefit of any trustee, director or officer of the Corporation or any private individual, firm, corporation or association, except that reasonable compensation may be paid for services rendered and payments and distributions may be made in furtherance of the purposes set forth in Article FOURTH hereof, and no trustee, director or officer of the Corporation, nor any individual, firm, corporation or association, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

ELEVENTH: ~~————~~ In the event of dissolution of the Corporation, its Board of Trustees, after making provision for the payment of all of the liabilities of the Corporation, and subject to providing prior notice to the Attorney General and complying with the laws of the Commonwealth of Pennsylvania, shall distribute all of the assets of the Corporation to Alle-Kiski Medical Center ("AKMC") or if AKMC is not then recognized as exempt under the provisions of Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, and contributions to which are deductible under sections 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Code (an "Exempt Entity"), then to the West Penn Allegheny Health System, Inc. ("WPAHS") or if WPAHS is not then recognized as an Exempt Entity, then to one or more of WPAHS' affiliates which qualify and are recognized as an Exempt Entity or, if there are none, then that Corporation shall arrange for either the direct distribution of all of the assets of the Corporation for the purposes of the Corporation (as set forth in Article FOURTH hereof) or the distribution to one or more organizations which qualify as an Exempt Entity.

TWELFTH: ~~————~~ No substantial part of the activities of the Corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation, ~~(except as may otherwise be permitted by provided in~~ Section 501(h) of the Code. ~~No part of the activities of), and~~ the Corporation shall ~~be participating not participate~~ in, or ~~intervening~~ intervene in, (including the publishing or distribution of statements) any political ~~campaigns~~ campaign on behalf of or in opposition to any candidate for public office ~~(including the publishing or distributing of statements).~~

THIRTEENTH: ~~————~~ The Member or Members may alter or amend these Articles, subject ~~9.~~ Earnings. Notwithstanding any other provisions of these Articles, no part of the net earnings or assets of the Corporation shall inure to the benefit of or be distributable to its members, trustees, directors, officers or any other private individual; provided, however, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to the extent such payments do not prevent it from qualifying, and continuing to qualify, as an exempt organization and to make such lawful payments and distributions in furtherance of the purposes set forth in Article 3 hereof as may from time to obtaining any additional approvals time be either required or permitted by the Bylaws Section 501(c)(3) of the Code.

10. Foundation Status. If and so long as the Corporation, ~~and~~ is a private foundation (as that term is defined in Section 509 of the Code), then, notwithstanding any other provision of these Articles, the Corporation shall be prohibited from engaging in any act of self-dealing (as defined in Section 4941(d) of the Code); from retaining any excess business holdings (as defined in Section 4943(c) of the Code); from making any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and from making any taxable expenditures (as defined in Section 4945(d) of the Code), to the extent any action therewith would subject the Corporation to tax under one or more of the cited sections of the Code. To the extent required, the Corporation shall make qualifying distributions at such time and in such manner as do not subject the Corporation to tax under Section 4942 of the Code.
11. Dissolution. Upon dissolution or liquidation of the Corporation, after paying or making provision for the payment of all of the known liabilities of the Corporation, any remaining assets of the Corporation shall be transferred to the Member, or its successor, provided that ~~any such alteration or amendment shall be consistent with the Corporation's status as a corporation~~ (i) the Member or such successor is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution or liquidation of the Corporation, the Member, or its successor, is not in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to West Penn Allegheny Health System, Inc. ("WPAHS"), or its successor, provided that WPAHS or such successor is then in existence and then exempt from federal income ~~taxation~~ taxes under Section 501(~~ac~~) (3) of the Code;. If upon the dissolution or liquidation of the Corporation, WPAHS, or its successor is not then in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the corporation shall be distributed to [Provider Subsidiary Entity], or its successor, provided that [Provider Subsidiary Entity] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, both the Member and [Provider Subsidiary Entity], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to [UPE], or its successor, provided that [UPE] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, each of the Member, [Provider Subsidiary Entity] and [UPE], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation may be distributed to (a) such one or more corporations, trusts, funds or other organizations which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and, in the sole judgment of the Corporation's Board of Trustees, have purposes similar to those of the Corporation or (b) the federal government, or to a state or local government for such purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more of such corporations, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, and (ii) ~~contributions to~~ which are ~~deductible under sections 170(e)(2), 2055~~ (organized and operated for such purposes, or to the federal government or to a state or local government

for such purposes. No private individual shall share in the distribution of any Corporation assets upon dissolution or sale of the assets of the Corporation.

12. Personal Liability of Trustees.

(a) Elimination of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of trustees, no trustee of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a)(2) and 2522(a)(2) of the Code trustee.

FOURTEENTH:—(b) Applicability. The provisions of this Article shall be deemed to be a contract with each trustee of the Corporation who serves as such at any time while this Article is in effect and each such trustee shall be deemed to be so serving in reliance on the provisions of this Article. Any amendment or repeal of this Article or adoption of any Article or provision of the Bylaws of the Corporation which has the effect of increasing trustee liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, bylaw or provision.

13. Indemnification.

(a) Right to Indemnification - General. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article 13, shall mean any director, trustee, officer or member of a committee created by or pursuant to the Bylaws of the Corporation, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article 13.

(b) Right to Indemnification - Third Party Actions. Without limiting the generality of Section 13(a), any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement

actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

- (c) Right to Indemnification - Derivative Actions. Without limiting the generality of Section 13(a), any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section 13(c) in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.
- (d) Advance of Expenses. Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article 13 shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article 13 or otherwise.
- (e) Procedures for Effecting Indemnification. Unless ordered by a court, any indemnification under Section 13(a), Section 13(b) or Section 13(c) shall be made by the Corporation only as authorized in the specific case upon a determination

that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made: (i) by the Board of Trustees by a majority of a quorum consisting of trustees who were not parties to such action, suit or proceeding; or (ii) if such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested trustees so directs, by independent legal counsel in a written opinion.

- (f) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of the Bylaws of the Corporation, agreement, vote of disinterested trustees or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.
- (g) When Indemnification Not Made. Indemnification pursuant to this Article 13 shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.
- (h) Grounds for Indemnification. Indemnification pursuant to this Article 13, under any other provision of the Bylaws of the Corporation, agreement, vote of trustees or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article 13 and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article 13 shall be applicable to all actions, suits or proceedings within the scope of Section 13(a), Section 13(b) or Section 13(c) of these Articles, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.
- (i) Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article 13.

- (j) Creation of a Fund to Secure or Insure Indemnification. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article 13 or otherwise.
- (k) Status Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.
- (l) Applicability to Predecessor Companies. For purposes of this Article 13, references to the "Corporation" include all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, trustee, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, trustee, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article 13 with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, trustee, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 13(a).

14. Code. Reference in these Articles to ~~sections of the "Code" shall be deemed to include corresponding provisions of any future United States~~ a section of the Internal Revenue Law Code of 1986 shall be construed to refer to both the section and to the regulations promulgated thereunder, as they now exist or may hereafter be adopted or amended in this or in subsequent internal revenue laws.

~~IN TESTIMONY WHEREOF,~~ the incorporator has signed these Articles of Incorporation this ____ day of _____.

Summary Report

September 18, 2012 4:31 PM

	Document	Location
Original	Amended and Restated Articles of Incorporation of Alle-Kiski Medical Center Trust	TAM1_GENERAL\281172\1
Revised	Amended and Restated Articles of Incorporation of Alle-Kiski Medical Center Trust	TAM1_GENERAL\281172\

1. Change Summary

	Number of Changes	Markup Format
Insertions	46	<u>Sample Text</u>
Deletions	43	Sample Text
Moved from	0	Sample Text
Moved to	0	<u>Sample Text</u>
Formatting	0	Sample Text
Total	89	

P

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Certificate of Amendment-Domestic
(15 Pa.C.S.)

Limited Partnership (§ 8512)
 Limited Liability Company (§ 8951)

Name		
Address		
City	State	Zip Code

Document will be returned to the name and address you enter to the left.



Fee: \$70

In compliance with the requirements of the applicable provisions (relating to certificate of amendment), the undersigned, desiring to amend its Certificate of Limited Partnership/Organization, hereby certifies that:

1. The name of the limited partnership/limited liability company is:
West Penn Allegheny Foundation, LLC

2. The date of filing of the original Certificate of Limited Partnership/Organization:
May 3, 2004

3. Check, and if appropriate complete, one of the following:

The amendment adopted by the limited partnership/limited liability company, set forth in full, is as follows:

The amendment adopted by the limited partnership/limited liability company is set forth in full in Exhibit A attached hereto and made a part hereof.

4. Check, and if appropriate complete, one of the following:

The amendment shall be effective upon filing this Certificate of Amendment in the Department of State.

The amendment shall be effective on: _____ at _____
Date Hour

3. Check if the amendment restates the Certificate of Limited Partnership/Organization:

The restated Certificate of Limited Partnership/Organization supersedes the original Certificate of Limited Partnership/Organization and all previous amendments thereto.

IN TESTIMONY WHEREOF, the undersigned limited partnership/limited liability company has caused this Certificate of Amendment to be executed this

_____ day of _____.

West Penn Allegheny Foundation, LLC

Name of Limited Partnership/Limited Liability Company

Signature

Title

EXHIBIT A

AMENDED AND RESTATED
CERTIFICATE OF ORGANIZATION OF
WEST ~~PEEN~~PENN ALLEGHENY FOUNDATION, LLC

In compliance with the requirements of the Pennsylvania Limited Liability Company Law of 1994 and 15 Pa. C.S. § 8913 ~~(relating to the certificate of organization)~~, ~~the undersigned desiring to organize a limited liability company,~~ West Penn Allegheny Foundation, LLC hereby ~~certifies that~~ amends and restates its Certificate of Organization as follows, which Amended and Restated Certificate supersedes the original Certificate of Organization and all amendments thereto:

1. Company Name. The name of the limited liability company ~~(the "Company")~~ is West Penn Allegheny Foundation, LLC; ~~(the "Company")~~.
2. Registered Office. The location and post office address of the Corporation's registered office of the Company in Pennsylvania this Commonwealth is: 320 East North Avenue, Pittsburgh, Pennsylvania, 15212.

3. ~~_____~~
~~_____~~ Organization and Purpose.

(a) The Company has been formed by West Penn Allegheny Health System

~~_____~~ 16th Floor
~~_____~~ Allegheny General Hospital
~~_____~~ 320 East North Avenue
~~_____~~ Pittsburgh, PA 15212
~~_____~~ Allegheny County

, Inc. (the "Initial Member") pursuant to the provisions of the Pennsylvania Limited Liability Company Law of 1994 (the "Act").

~~3.~~ The Company shall have perpetual existence.

4. ~~_____~~ The initial purpose and business of the Company is: (i) to engage in the business of purchasing, financing to purchase, finance or leasing lease equipment for resale or release to West Penn Allegheny Health System a nonprofit regional health care system governed by [UPE], including the Initial Member and its controlled affiliates (the "System") or, on behalf of the System, to controlled charitable affiliates of the System thereof, and to engage in such other lawful activities as may be in furtherance of or incidental to such purpose; and (ii) limited as hereafter described, to. Unless all the members agree otherwise and subject to the reserved powers of UPE as set forth in the Amended and Restated Operating Agreement of West Penn Allegheny Foundation, LLC (the "Operating Agreement"), the Company shall not engage in all lawful any other business for which limited liability companies may be organized under 15 Pa.C.S. Ch.89.

(b) Notwithstanding anything contained herein to the contrary, the Company is organized for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code (the "Code") and to support the ~~System, its initial member, which is~~ Initial Member and its controlled affiliates, said Initial Member being a Section 501(c)(3) organization qualifying as an organization described in Section 509(a)(1) of the Code, or any tax-exempt successor to its interest ~~identified in the Company's operating agreement hereunder.~~ More particularly, the Company is organized to support the ~~System~~ Initial Member in furthering its ~~duties~~ obligation to operate exclusively for charitable, scientific, educational or other tax-exempt purposes by supporting and ~~obligations as described in Section 501(e)(3)~~ managing a regional health care system, supporting educational, research, and scientific activities relating to the health of the Code residents in Western Pennsylvania and supporting the System hospitals by providing central management and operational services and access to capital. The Company will operate at all times in a manner consistent with the charitable, scientific, ~~education~~ educational or other tax-exempt purposes of the Initial Member or any tax-exempt successor to its interest ~~identified in the Company's operating agreement hereunder.~~ All members of the Company shall at all times qualify for tax-exemption under Section 501(c)(3) of the Code. Upon the admission of any additional members pursuant to the terms of the Operating Agreement, the Certificate of Organization and Operating Agreement shall be amended to provide for the support of such additional members.

4. Amendments.

~~5.~~ This Certificate of Organization and the Operating Agreement of the Company may be altered, amended or repealed, or a new Operating Agreement may be adopted only in accordance with the manner prescribed at procedures set forth in the time by statute, and all rights conferred upon members in this certificate of organization or the operating agreement of the Company are granted subject to this reservation. Operating Agreement.

~~6.~~

5. Organizer. The name and address of the organizer are:

Peter Beaman, Esq.
Schnader Harrison Segal & Lewis LLP
Suite 2700, 120 Fifth Avenue
Pittsburgh, PA 15222

~~7.~~ 6. Membership Interest. The interest of a member in the Company may but shall not be required to be evidenced by a certificate of ~~Member~~ membership interest. The procedures for assignment or transfer of a membership interest shall be as set forth in the Operating Agreement of the Company. The rights and obligations of the holders of membership interests represented by certificates and the rights and obligations of holders of uncertified membership interest of the same type, or class and series, shall be identical.

~~8. Management of the Company shall be vested in a manager as provided for in the operating agreement. The number of managers and the manner in which they are selected shall also be as prescribed in or by the operating agreement. Except as otherwise provided by resolution adopted by the managers or in the operating agreement, the managers may act only collectively as a board and by resolution duly adopted.~~

7. Management. Except for those powers reserved to the Initial Member and [UPE] in the Operating Agreement, the business and affairs of the Company shall be managed by or under the direction of the Board and the Board shall have the exclusive authority to make all decisions regarding the Company and its business, to exercise all powers of the Company and to do all such lawful acts and things as are not by law or the Operating Agreement directed or required to be exercised or done by [UPE] or the members.

8. Indemnification.

(a) The Company shall indemnify and hold harmless, to the fullest extent now or hereafter permitted by law, each member, manager and officer acting on behalf of or at the direction of the Company from and against any and all damages, losses, costs and expenses (including reasonable attorney's fees) resulting from or relating in any way to any action taken or omitted to be taken, in good faith, by such member, manager or officer in connection with the business or affairs of the Company, except that they shall not be indemnified in respect of any damage, loss, cost or expense incurred by reason of self dealing, gross negligence, recklessness, or willful misconduct, liability under a criminal statute or liability for the payment of taxes under Federal, state or local law.

(b) The Company may, as determined by the Board from time to time, indemnify and hold harmless, to the fullest extent now or hereafter permitted by law, any other Authorized Representative (as defined in Section 8(g)) acting on behalf of or at the direction of the Company from and against any and all damages, losses, costs and expenses (including reasonable attorney's fees) resulting from or relating in any way to any action taken or omitted to be taken, in good faith, by such person in connection with the business or affairs of the Company, except that they shall not be indemnified in respect of any damage, loss, cost or expense incurred by reason of self dealing, gross negligence, recklessness, or willful misconduct, liability under a criminal statute or liability for the payment of taxes under Federal, state or local law.

(c) Costs and expenses incurred in defending or responding to any legal action may be advanced by the Company to the Authorized Representative who is the subject thereof in advance of the final disposition of such action, upon receipt of an undertaking by the Authorized Representative seeking such advance to repay such amount if it shall ultimately be determined that such Authorized Representative is not entitled to be indemnified pursuant to this Section 8.

(d) For purposes of this Section 8, the determination that any Authorized Representative has engaged in self-dealing, acted with gross negligence,

recklessness or willful misconduct may be made by the court or other body before which the relevant action, proceeding or investigation is pending. In the absence of a determination by such court or other body, such determination shall be made by independent legal counsel in a written legal opinion to the Company.

- (e) Notwithstanding anything contained in this Section 8 to the contrary, indemnification under this Section 8 shall not be made by the Company in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by the Act or any applicable law in effect at the time of such alleged action or failure to take action.
- (f) Each Authorized Representative shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Section 8. The rights of indemnification and advancement of expenses provided by this Section 8 shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an Authorized Representative of the Company and shall inure to the benefit of the heirs and personal representatives of such person. Indemnification and advancement of expenses under this Section 8 shall be provided whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Company. Any repeal or modification of this Section 8 shall not adversely affect any right or protection existing at the time of such repeal or modification to which any person may be entitled under this Section 8.
- (g) For purposes of this Section 8 "Authorized Representative" shall mean a member, manager, officer or employee of the Company or of any Affiliate of the foregoing or the Company, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Company or by any corporation controlled by the Company, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the request of the Company. The term "Authorized Representative" shall not include agents of the Company unless indemnification thereof is expressly approved by the Board. For purposes of this Section 8 only, references to "Company" shall include all constituent limited liability companies, corporations or other entities absorbed in a consolidation, merger or division, as well as the surviving or new limited liability companies, corporations or other entities surviving or resulting therefrom, so that (i) any person who is or was an Authorized Representative of a constituent, surviving or new limited liability company, corporation or other entity shall stand in the same position under the provisions of this Section 8 with respect to the surviving or new limited liability company, corporation or other entity as such person would if such person had served the surviving or new corporation or other entity in the same capacity and (ii) any person who is or was an Authorized Representative of the Company shall

stand in the same position under the provisions of this Section 8 with respect to the surviving or new corporation or other entity as such person would with respect to the Company if its separate existence had continued.

9. Limitations on Liability. No manager shall be personally liable, as such, for any action taken unless: (a) such manager breached or failed to perform the duties of his or her office and (b) the breach or failure to perform constituted self dealing, gross negligence, willful misconduct or recklessness. The foregoing shall not apply to any responsibility or liability under a criminal statute or liability for the payment of taxes under Federal, state or local law.
10. Dissolution. Upon the dissolution or liquidation of the Company, after paying or making provision for payment of all of the known liabilities of the Company, any remaining assets of the Company shall be transferred to the Initial Member, or its successor, provided that the Initial Member or such successor is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution or liquidation of the Company, the Initial Member, or its successor, is not in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the Company shall be distributed to [UPE Provider Subsidiary], or its successor, provided that [UPE Provider Subsidiary] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Company, both the Initial Member and [UPE Provider Subsidiary], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Company shall be distributed to [UPE], or its successor, provided that [UPE] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Company, each of the Initial Member, [UPE Provider Subsidiary] and [UPE], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Company may be distributed to (a) such one or more companies, trusts, funds or other organizations which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and, in the sole judgment of the Company's Board of Managers, have purposes similar to those of the Company or (b) the federal government, or to a state or local government for such purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more of such companies, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, and which are organized and operated for such purposes, or to the federal government or to a state or local government for such purposes. No private individual shall share in the distribution of any Company assets upon dissolution or sale of the assets of the Company.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has executed this Amended and Restated Certificate of Organization on ~~May 3,~~ 2004, 2012.

ORGANIZER:

Peter Beaman, Esq.

Summary Report

September 19, 2012 8:42 AM

	Document	Location
Original	Certificate of Organization of West Penn Allegheny Foundation, LLC	TAM1_GENERAL\282188\1
Revised	Certificate of Organization of West Penn Allegheny Foundation, LLC	TAM1_GENERAL\282188\

1. Change Summary

	Number of Changes	Markup Format
Insertions	45	<u>Sample Text</u>
Deletions	36	Sample Text
Moved from	3	Sample Text
Moved to	3	<u>Sample Text</u>
Formatting	0	Sample Text
Total	87	

Q

Docketing Statement (Changes)
DSCB:15-134B

BUREAU USE ONLY:	
<input type="checkbox"/> Revenue	<input type="checkbox"/> Labor & Industry
<input type="checkbox"/> Other _____	
File Code _____	Filed Date _____

Part I. Complete for each filing:

Current name of entity or registrant (<i>survivor or new entity if merger or consolidation</i>): Allegheny-Singer Research Institute	
Entity number, if known: 652217	Incorporation/qualification date in PA: June 24, 1977
State of Inc: Pennsylvania	Federal BIN: 25-1320493 Specified effective date, if any: upon filing

Part II. Check proper box:

<input checked="" type="checkbox"/> Amendment (complete Section A)	<input type="checkbox"/> Merger, Consolidation or Division (complete Section B, C or D)
<input type="checkbox"/> Consolidation (complete Section C)	<input type="checkbox"/> Division (complete Section D)
<input type="checkbox"/> Conversion (complete Section A & B)	<input type="checkbox"/> Correction (complete Section A)
<input type="checkbox"/> Termination (complete Section H)	<input type="checkbox"/> Revival (complete Section G)
<input type="checkbox"/> Dissolution before Commencement of Business (complete Section F)	

<input checked="" type="checkbox"/> Section A - Check box(es) which pertain to changes:			
___ Name: _____			
___ Registered Office: Number & street/RD number & box number City State Zip County			
<input checked="" type="checkbox"/> Purpose: See Exhibit A to Articles of Amendment			
___ Stock (aggregate number of share authorized): _____		___ Effective date: _____	
___ Term of Existence: _____		___ Other: _____	

___ Section B - Merger Complete Section A if any changes to surviving entity: Merging Entities are: (attach sheet for additional merging entities)		
Name: _____	Entity #, if known: _____	
Effective date: _____	Inco./qual. date in PA: _____	State of Inc. _____
Name: _____	Entity #, if known: _____	
Effective date: _____	Inco./qual. date in PA: _____	State of Inc. _____

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Articles of Amendment-Domestic Corporation
(15 Pa.C.S.)

Business Corporation (§ 1915)
 Nonprofit Corporation (§ 5915)

Name		
Address		
City	State	Zip Code

Document will be returned to the name and address you enter to the left.



Fee: \$70

In compliance with the requirements of the applicable provisions (relating to articles of amendment), the undersigned, desiring to amend its articles, hereby states that:

1. The name of the corporation is:
Allegheny-Singer Research Institute

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
320 East North Avenue,	Pittsburgh,	PA	15212	Allegheny

(b) Name of Commercial Registered Office Provider _____ County _____
c/o _____

3. The statute by or under which it was incorporated:
Nonprofit Corporation Law of 1988

4. The date of its incorporation:
June 24, 1977

5. Check, and if appropriate complete, one of the following:

The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

The amendment shall be effective on: _____ at _____
Date Hour

6. Check one of the following:

- The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. § 1914(a) and (b) or § 5914(a).
- The amendment was adopted by the board of directors pursuant to 15 Pa. C.S. § 1914(c) or § 5914(b).

7. Check, and if appropriate, complete one of the following:

- The amendment adopted by the corporation, set forth in full, is as follows
- _____
- _____

- The amendment adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

8. Check if the amendment restates the Articles:

- The restated Articles of Incorporation supersede the original articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this

_____ day of _____,

Allegheny-Singer Research Institute

Name of Corporation

Signature

Title

EXHIBIT A

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
ALLEGHENY-SINGER RESEARCH INSTITUTE**

In compliance with the requirements of ~~15 Pa.C.S. § 5915 (relating to Articles of Amendment)~~, the undersigned nonprofit corporation, desiring to amend and restate its Articles of Incorporation in their entirety, hereby states that:

- ~~1. The name of the corporation is Allegheny-Singer Research Institute (hereinafter the "Corporation").~~
- ~~2. The address of the Corporation's current registered office in this Commonwealth is 320 East North Avenue, Pittsburgh, Pennsylvania 15212, located in the county of Allegheny.~~
- ~~3. The Corporation was incorporated under the Pennsylvania Nonprofit Corporation Law of 1972~~1988, Allegheny-Singer Research Institute, a Pennsylvania nonprofit corporation (the "Corporation"), hereby amends and restates its Articles of Incorporation as follows, which Amended and Restated Articles supersede the original.
- ~~4. The date of incorporation was June 24, 1977.~~
- ~~5. The amendment shall be effective upon filing these Articles of Amendment in the Department of State.~~
- ~~6. The amendment, restating the Articles of Incorporation, was adopted by the sole member pursuant 15 Pa.C.S. § 5914(a). and all amendments thereto:~~
- ~~7. The amendment, restating the Articles of Incorporation, adopted by the corporation, set forth in full, is as follows:~~

FIRST: ~~1. Corporate Name.~~ The name of the Corporation is Allegheny-Singer Research Institute (~~hereinafter, the "Corporation").~~

SECOND: ~~The~~2. Registered Office. The location and post office address of the Corporation's registered office in this Commonwealth is 320 East North Avenue, Pittsburgh, Pennsylvania 15212,~~located in the county of Allegheny.~~

THIRD: ~~3. Organization and Purpose.~~ The Corporation is ~~formed and is to be operated exclusively~~organized under the Pennsylvania Nonprofit Corporation Law of 1988 (the "Nonprofit Corporation Law"), for charitable, scientific and educational purposes in such a manner that the Corporation will be an organization described in within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:

(a) To operate as part of the nonprofit regional health care system governed by [UPE], a Pennsylvania nonprofit corporation ("UPE"), and support a health care provider network comprised of the Member and those corporations and other entities over which the Member exercises governance control, each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

~~a) Carrying on(b)~~ To conduct investigations, experiments, and studies to discover, develop, or verify knowledge relating to the causes, diagnosis, treatment, prevention, or control of physical or mental diseases and impairments;

~~b) Carrying on(c)~~ To conduct training, research, educational and supportive activities related to the rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and in the promotion of health; and;

~~e) Carrying on any lawful activity(d)~~ To support or conduct research and educational activities of hospitals and health care facilities operated by the Member or subsidiaries of the Member related to the rendering of care to the sick, injured and disabled, the furthering of knowledge in the medical arts and in promotion of health;

(e) To assist the hospitals and health care facilities operated by the Member or subsidiaries of the Member in their residency training programs in various medical specialties and related teaching programs;

(f) To exercise such powers in furtherance of the foregoing purposes, subject to limitations on its actions imposed under section 501(e)(3) of the Code.

~~FOURTH: The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.~~

~~FIFTH: The Corporation is organized upon a nonstock basis.~~

~~SIXTH: The Member or Members shall be the entity and/or persons identified as such in the Corporation's Bylaws. As such, the Member or Members shall have all of the rights and privileges conferred upon nonprofit corporate Members under the laws of the Commonwealth of Pennsylvania, except as otherwise specified in the Bylaws of the Corporation, as well as additional rights and privileges as shall be specified in the Bylaws of the Corporation.~~ are now or may be granted hereafter by the Nonprofit Corporation Law of the

Commonwealth of Pennsylvania, as amended from time to time, or any successor legislation;

~~**SEVENTH:** Notwithstanding any other provision herein, the Corporation is organized and is to be operated exclusively for one or more of the purposes specified in section 501(c)(3) of the Code and shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate (i) its status as a corporation which is exempt from Federal income taxation under section 501(a) of the Code as (g) To conduct such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, and (ii) its status or as an organization; contributions to which are deductible under sections Section 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Code; and~~

(h) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

4. Pecuniary Gain or Profit. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

~~**EIGHTH:** No part of the net earnings of the Corporation shall inure to the benefit of any trustee, director or officer of the Corporation or any private individual, firm, corporation or association, except that reasonable compensation may be paid for services rendered and payments and distributions may be made in furtherance of the purposes set forth in Article THIRD hereof, and no trustee, director or officer of the Corporation, nor any individual, firm, corporation or association, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.~~

~~**NINTH:** In the event of dissolution of the Corporation, its Board of Directors, after making provision for the payment of all of the liabilities of the Corporation, and subject to providing prior notice to the Attorney General, obtaining the approval of the Orphans' Court of the Commonwealth of Pennsylvania⁵. Non-Stock Basis. The Corporation is organized upon a nonstock basis.~~

6. Members. The Corporation shall have a single member which shall be West Penn Allegheny Health System, Inc. (the "Member").

7. Management. Except for those powers reserved to the Member, [Provider Subsidiary Entity], and [UPE] in the Bylaws of the Corporation, the affairs and business of the Corporation shall be managed by or under the direction of the Board of Directors. The number, term of office, method of selection and manner of removal of the Board of Directors shall be set forth in the Bylaws of the Corporation.

8. Exempt Organization. Notwithstanding any other provision herein, the Corporation shall not engage directly or indirectly in any activity which would prevent it from

~~qualifying, and compliance with the laws of the Commonwealth of Pennsylvania, shall arrange for either the direct distribution of all of the assets of the Corporation for the purposes of the Corporation (as set forth in Article THIRD hereof) or the distribution continuing to one or more organizations (i) which qualify for exemption under the provisions of section 501(a) of the Code as an organization, as a corporation described in Section 501(c)(3) of the Code and classified (hereinafter referred to in these Articles as an "exempt organization"), or as a public charity pursuant to section 509(a) of the Code and the Treasury Regulations promulgated thereunder, and (ii) corporation contributions to which then are deductible under sections Section 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Code.~~

TENTH: ~~—————~~ No substantial part of the activities of the Corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation, ~~(except as may otherwise be permitted by provided in Section 501(h) of the Code. No part of the activities of), and~~ the Corporation shall ~~be participating not participate in, or intervening in, intervene in (including the publishing or distribution of statements) any political campaigns campaign on behalf of or in opposition to any candidate for public office (including the publishing or distributing of statements).~~

ELEVENTH: ~~—————~~ ~~The Member or Members may alter or amend 9.~~ Earnings. Notwithstanding any other provisions of these Articles, ~~subject to obtaining any additional approvals~~ no part of the net earnings or assets of the Corporation shall inure to the benefit of or be distributable to its members, trustees, directors, officers or any other private individual; provided, however, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to the extent such payments do not prevent it from qualifying, and continuing to qualify, as an exempt organization and to make such lawful payments and distributions in furtherance of the purposes set forth in Article 3 hereof as may from time to time be either required or permitted by ~~the By-laws~~ Section 501(c)(3) of the Code.

10. Foundation Status. If and so long as the Corporation, ~~and~~ is a private foundation (as that term is defined in Section 509 of the Code), then, notwithstanding any other provision of these Articles, the Corporation shall be prohibited from engaging in any act of self-dealing (as defined in Section 4941(d) of the Code); from retaining any excess business holdings (as defined in Section 4943(c) of the Code); from making any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and from making any taxable expenditures (as defined in Section 4945(d) of the Code), to the extent any action therewith would subject the Corporation to tax under one or more of the cited sections of the Code. To the extent required, the Corporation shall make qualifying distributions at such time and in such manner as do not subject the Corporation to tax under Section 4942 of the Code.

11. Dissolution. Upon dissolution or liquidation of the Corporation, after paying or making provision for the payment of all of the known liabilities of the Corporation, any remaining assets of the Corporation shall be transferred to the Member, or its successor, provided that ~~any such alteration or amendment shall be consistent with the Corporation's status as a corporation (i)~~ the Member or such successor is then in existence and then exempt from federal income ~~taxation under section 501~~ taxes under Section 501(c)(3) of

the Code. If upon the dissolution or liquidation of the Corporation, the Member, or its successor, is not in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to [Provider Subsidiary Entity], or its successor, provided that [Provider Subsidiary Entity] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, both the Member and [Provider Subsidiary Entity], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to [UPE], or its successor, provided that [UPE] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, each of the Member, [Provider Subsidiary Entity] and [UPE], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation may be distributed to (a) ~~of the Code, as an organization~~ such one or more corporations, trusts, funds or other organizations which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and, in the sole judgment of the Corporation's Board of Directors, have purposes similar to those of the Corporation or (b) the federal government, or to a state or local government for such purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more of such corporations, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, and which are organized and operated for such purposes, or to the federal government or to a state or local government for such purposes. No private individual shall share in the distribution of any Corporation assets upon dissolution or sale of the assets of the Corporation.

12. Personal Liability of Directors.

- (a) Elimination of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.
- (b) Applicability. The provisions of this Article shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Article is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Article. Any amendment or repeal of this Article or adoption of any Article or provision of the Bylaws of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, bylaw or provision.

13. Indemnification.

- (a) Right to Indemnification - General. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article 13, shall mean any director, officer or member of a committee created by or pursuant to the Bylaws of the Corporation, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article 13.
- (b) Right to Indemnification - Third Party Actions. Without limiting the generality of Section 13(a), any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.
- (c) Right to Indemnification - Derivative Actions. Without limiting the generality of Section 13(a), any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in

a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section 13(c) in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

- (d) Advance of Expenses. Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article 13 shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article 13 or otherwise.
- (e) Procedures for Effecting Indemnification. Unless ordered by a court, any indemnification under Section 13(a), Section 13(b) or Section 13(c) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made: (i) by the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (ii) ~~contributions to which are deductible under sections 170(e)(2), 2055(a)(2) and 2522(a)(2) of the Code~~ if such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.
- ~~TWELFTH:~~ (f) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of the Bylaws of the Corporation, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.
- (g) When Indemnification Not Made. Indemnification pursuant to this Article 13 shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful

misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

- (h) Grounds for Indemnification. Indemnification pursuant to this Article 13, under any other provision of the Bylaws of the Corporation, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article 13 and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article 13 shall be applicable to all actions, suits or proceedings within the scope of Section 13(a), Section 13(b) or Section 13(c) of these Articles, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.
- (i) Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article 13.
- (j) Creation of a Fund to Secure or Insure Indemnification. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article 13 or otherwise.
- (k) Status Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.
- (l) Applicability to Predecessor Companies. For purposes of this Article 13, references to the "Corporation" include all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, committee member or other representative of such a corporation, entity or affiliate or served as a member, director, officer, committee member or other representative of another corporation, partnership, joint venture, trust or other

enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article 13 with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and committee member of each predecessor to the Corporation shall have the same contract rights as are afforded pursuant to Section 13(a).

14. Code. Reference in these Articles to ~~sections of the "Code" shall be deemed to include corresponding provisions of any future United States~~ a section of the Internal Revenue Law. Code of 1986 shall be construed to refer to both the section and to the regulations promulgated thereunder, as they now exist or may hereafter be adopted or amended in this or in subsequent internal revenue laws.

~~8. The Restated Articles of Incorporation supersede the original Articles and all amendments thereto.~~

~~IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof as of this first day of August, 1999.~~

~~ALLEGHENY-SINGER RESEARCH INSTITUTE~~

By: _____
Name:
Title:

Summary Report

September 18, 2012 4:33 PM

	Document	Location
Original	Amended and Restated Articles of Incorporation of Allegheny-Singer Research Institute	TAM1_GENERAL\282190\1
Revised	Amended and Restated Articles of Incorporation of Allegheny-Singer Research Institute	TAM1_GENERAL\282190\

1. Change Summary

	Number of Changes	Markup Format
Insertions	39	<u>Sample Text</u>
Deletions	51	Sample Text
Moved from	2	Sample Text
Moved to	2	<u>Sample Text</u>
Formatting	0	Sample Text
Total	94	