

**BEFORE THE INSURANCE DEPARTMENT
OF THE
COMMONWEALTH OF PENNSYLVANIA**

Statement Regarding the Acquisition of Control of or Merger with
Domestic Insurers:

Highmark Inc., First Priority Life Insurance Company, Inc ;
Gateway Health Plan, Inc ; Highmark Casualty Insurance Company,
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health; Inter-County Health Plan, Inc.,
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

**SUPPLEMENTAL RESPONSE TO PID INFORMATION REQUEST 5.1.1.9 FROM THE
PENNSYLVANIA INSURANCE DEPARTMENT**

REQUEST 5.1.1.9:

To the extent not disclosed in the Form A filing and accompanying material, provide a full and complete listing of each class of membership interests in each of Highmark, Highmark Affiliate, WPAHS and WPAHS Affiliate, summarize any rights of Control with respect to each such class, and refer to the agreement or document to which such right of Control relates. If disclosed in the Form A filing and accompanying material, identify where such disclosure is located in the Form A filing and accompanying material.

RESPONSE:

Attachment 5.1.1.9 is a chart setting forth each class of membership interests in WPAHS and each WPAHS Affiliate, along with any rights of Control with respect to each such class. The chart contains an Exhibit A, which sets forth the standard reserved powers contained in the Bylaws of various WPAHS Affiliates, while the chart expounds on these powers for each specific WPAHS Affiliate. See attached.

West Penn Allegheny Health System
30 Isabella St., Suite 300
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Document Divider

Membership Interests in WPAHS Affiliates

<u>WPAHS Affiliate</u>	<u>Membership/Ownership Interest</u>	<u>Rights of Control</u>
Allegheny Imaging of McCandless, L.L.C.	<p>Allegheny General Hospital: 45% (Class A)</p> <p>Allegheny Radiology Associates Imaging, L.L.C.: 30% (Class B)</p> <p>North Pittsburgh Imaging Specialists: 25% (Class B)</p>	<p>“Notwithstanding the other provisions set forth in this Agreement (except for Section 8.13 herein, which will take priority over this Section 8.12), neither the Company nor the Board shall approve or take any of the following actions without the unanimous affirmative vote of all Board members:</p> <p>8.12.1 the sale or other transfer of all or a substantial disposition of the Company’s assets;</p> <p>8.12.2 the dissolution or termination of the Company;</p> <p>8.12.3 any material change in the Company’s Business, including but not limited to the addition of new service lines, or a change in the Location of Services;</p> <p>8.12.4 any merger, consolidation or combination of the Company with another entity;</p> <p>8.12.5 the issuance of new or transfer of existing Membership interests in the Company;</p> <p>8.12.6 the amendment, restatement or revocation of the Articles of Organization other than minor, technical amendments that do not change the substantive powers of the Company;</p> <p>8.12.7 any tax elections on behalf of the Company;</p>

<p>8.12.8 incurring any indebtedness or series of indebtedness, either of which exceeds \$1,000, or the guarantee of any indebtedness or series of indebtedness, either of which exceeds \$1,000;</p>	<p>8.12.9 any transactions with an Affiliate of a Member;</p>
<p>8.12.10 the execution, amendment or termination of contracts;</p>	<p>8.12.11 the approval of capital expenditures in excess of \$10,000 and other expenditures in excess of \$2,000, which are not expressly covered in the Company's operating budget;</p>
<p>8.12.12 the approval of Company's distributions, and Company's operating and capital budgets and any significant deviations therefrom;</p>	<p>8.12.13 any amendment to the Operating Agreement other than minor, technical amendments;</p>
<p>8.12.14 incurring any obligation requiring a pledge of the Company's assets or a guaranty of the Members;</p>	<p>8.12.15 indemnification of and/or purchase of liability insurance;</p>
<p>8.12.16 selection of an initial, independent appraiser required by Section 11.4 herein;</p>	<p>8.12.17 approval of the credentialing requirements of the Service or the closure of additional staff privileges</p>

	<p>within the Service; and</p> <p>8.12.18 entering into, renewing, amending, or terminating any arrangement or agreement with any Company administrator, management company, Member or other senior employee or executive of the Company, including, without limitation, the Management Agreement and the Radiology Services Agreement.”</p> <p>“Notwithstanding any other provisions set forth in this Agreement or the relative Percentage Membership Interest of the Members, the following reserve powers will be exercisable solely by [Allegheny General Hospital] Board Members as necessitated by [Allegheny General Hospital]’s tax-exempt status and will include the ability to promulgate or approve policies for the Company in the following areas:</p> <ul style="list-style-type: none"> i. Determination of whether the Company is in compliance with the Tax Exempt Commitments set forth in Section 4.2 herein and what, if any, action is necessary to assure such commitments; ii. Approval and adoption of any other policies necessary to conduct the operations of the Company in such a manner as to preserve the tax-exempt status and charitable mission of Hospital; and iii. Determination of whether the operations of the Company negatively affect the tax-exempt status of [Allegheny General Hospital] or its charitable purpose and, if such a determination is made, [Allegheny General Hospital] may pursue its options pursuant to
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		<p>Section 30 herein.</p> <p>These reserve powers are intended to be used by [Allegheny General Hospital] solely to assure that the Company does not act in a manner that threatens or otherwise jeopardizes [Allegheny General Hospital]'s tax-exempt status....”</p>
Allegheny Medical Practice Network	West Penn Allegheny Health System, Inc. is the sole voting member	<p>Please see reserved powers listed in <u>Exhibit A</u>, with the following additional powers:¹</p> <p>“Approve and/or direct the allocation and transfer of the Corporation’s excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of which the Member is the sole Member, which organizations are exempt from federal income taxation under Section 501(a) of the Code because they are organizations described in Section 501(c)(3) of the Code, provided that any such allocation and transfer shall be in furtherance of the Corporation’s charitable purposes.”</p> <p>“Approve and/or cause the adoption by the Corporation of any contracts between the Corporation and any managed care organization (including without limitation any health maintenance organization or independent practice association) or insurance company.”</p> <p>“The approval and/or direction of the allocation and</p>

¹ The Bylaws of the WPAHS Affiliates set forth various powers reserved to members. Exhibit A sets forth all reserved powers that are common to the Bylaws of most WPAHS Affiliates, as denoted herein; however, any additions or deletions to such reserved powers, which are specific to a certain WPAHS Affiliate, are noted in the above chart.

		transfer of the Corporation's excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of which the Member is the sole Member."
Allegheny-Singer Research Institute	West Penn Allegheny Health System, Inc. is the sole voting member	Please see reserved powers listed in <u>Exhibit A</u> .
Allegheny Specialty Practice Network	West Penn Allegheny Health System, Inc. is the sole voting member	<p>Please see reserved powers listed in <u>Exhibit A</u>, with the following additional powers:</p> <p>"Approve and/or direct the allocation and transfer of the Corporation's excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of which the Member is the sole Member, which organizations are exempt from federal income taxation under Section 501(a) of the Code because they are organizations described in Section 501(c)(3) of the Code, provided that any such allocation and transfer shall be in furtherance of the Corporation's charitable purposes."</p> <p>"Approve and/or cause the adoption by the Corporation of any contracts between the Corporation and any managed care organization (including without limitation any health maintenance organization or independent practice association) or insurance company."</p> <p>"The approval and/or direction of the allocation and transfer of the Corporation's excess cash (as determined by the Member) among those charitable nonprofit health care organizations operating in Western Pennsylvania of</p>

Alle-Kiski Medical Center	West Penn Allegheny Health System, Inc. is the sole voting member	which the Member is the sole Member.” Please see reserved powers listed in <u>Exhibit A</u> , with the following power absent: The power to adopt or amend “(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.”
Alle-Kiski Medical Center Trust	Alle-Kiski Medical Center is the sole voting member	Please see reserved powers listed in <u>Exhibit A</u> , with the following power absent: - The power to adopt or amend “(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.” Additionally, Bylaws reference a Board of Trustees and Executive Director, with the following reserved powers related thereto: “Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the Trustees; and

	<p>elect and remove, with or without cause, the Chair, Vice Chair, and the Secretary and/or Treasurer of the Corporation; provided that no Trustee or officer shall be removed by the Member without 10 days prior notice of such removal from the Member to the Board of Trustees;</p> <p>Designate the administrative structure of the Corporation and, after consultation with the Board of Trustees of the Corporation, elect and remove, with or without cause, the Executive Director 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 Trustees.</p> <p>Establish and/or approve the criteria for, and conduct the evaluation of, the performance of the Executive Director and all vice presidents and officers of similar rank of the Corporation.</p> <p>Except as otherwise required by the [Pennsylvania Nonprofit Corporation Law], 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 Trustees shall be required with respect to any such actions, and, to the full extent permitted by law, no action of the Board of Trustees with respect to any such actions shall be effective for any purpose without the approval of the Member.”</p> <p>Finally, Bylaws do not provide that the Member’s power is “exclusive” and do not include limits imposed</p>
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Canonsburg General Hospital	West Penn Allegheny Health System, Inc. is the sole voting member	by additional member triggering events. Please see reserved powers listed in <u>Exhibit A</u> , with the following additional power: “Approve and/or cause the adoption by the Corporation of any contracts between the Corporation and any managed care organization (including without limitation any health maintenance organization or independent practice association) or insurance company.”
Canonsburg General Hospital Ambulance Service	Canonsburg General Hospital, acting exclusively through WPAHS, Inc., is the sole voting member	Please see reserved powers listed in <u>Exhibit A</u> .
Forbes Health Foundation	West Penn Allegheny Health System, Inc. is the sole voting member	Please see reserved powers listed in <u>Exhibit A</u> , with the following power absent: - The power to adopt or amend “(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.” Additionally, Bylaws provides that, as part of the power to appoint and remove Directors and officers, “the Member shall elect and appoint Directors after consultation with the Chair of the Board of Directors of

Forbes Regional Urologic, L.L.C.	<p>West Penn Allegheny Foundation, L.L.C.: 20%</p> <p>Carl O. Bruning, III, M.D.: 20%</p> <p>Stewart L. Feldman, M.D.: 20%</p> <p>Thomas K. Rasvanis, M.D.: 20%</p> <p>Gregory Halenda, M.D.: 20%</p>	<p>the Corporation.”</p> <p>Finally, Bylaws do not include limits imposed by additional member triggering events.</p> <p>“Notwithstanding any other provision of this Agreement, the following actions may be taken by the Company (whether by the Management Committee, or otherwise) in connection with any of the following matters only with the unanimous written consent of all Members:</p> <p>(i) Any act in contravention of this Agreement;</p> <p>(ii) A material change in the nature of the Company’s business of acquiring and leasing lithotripsy equipment;</p> <p>(iii) Any sale of assets of the Company involving total consideration in excess of \$25,000;</p> <p>(iv) Any transaction by the Company involving incurrence of any indebtedness for borrowed money in excess of \$25,000;</p> <p>(v) Any capital expenditures in excess of \$25,000;</p> <p>(vi) Any transaction between the Company and any Member, Manager or affiliate thereof, which is not an arm’s-length basis;</p> <p>(vii) Any material acquisition by the Company involving total consideration in excess of \$25,000;</p> <p>(viii) Any transaction to liquidate or dissolve the</p>
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<p>Company; and,</p> <p>(ix) The admission of additional members to the Company.”</p> <p>“Notwithstanding any other provisions set forth in this Agreement or the relative percentage membership interest of the Members, the following reserve powers will be exercisable solely by [West Penn Allegheny Foundation, L.L.C.] to preserve the tax-exempt status of [West Penn Allegheny Health System] and [The Western Pennsylvania Hospital – Forbes Regional Campus] and will include the ability to promulgate or approve policies for the Company in the following areas:</p> <ul style="list-style-type: none"> i. Determination of whether the Company is in compliance with the Tax Exempt Commitments set forth in Section 12(b) herein and what, if any, action is necessary to assure such commitments; ii. Approval and adoption of any other policies necessary to conduct the operations of the Company in such a manner as to preserve the tax-exempt status and charitable missions of System and Hospital; and iii. Determination of whether the operations of the Company negatively affect the tax-exempt status of [West Penn Allegheny Health System] or [The Western Pennsylvania Hospital – Forbes Regional Campus] or their charitable purposes and, if such a determination is made, [West Penn Allegheny Foundation, L.L.C.] may pursue its options pursuant to Section 12(f) herein. 		
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		These reserve powers are intended for use by [West Penn Allegheny Foundation, L.L.C.] solely to assure that the Company does not act in a manner that threatens or otherwise jeopardizes the tax-exempt status of [West Penn Allegheny Health System] or [The Western Pennsylvania Hospital – Forbes Regional Campus].”
McCandless Endoscopy Center, L.L.C.	Allegheny General Hospital: 50% ACDH Endoscopy II, L.L.C.: 50%	<p>“Notwithstanding anything to the contrary in this Agreement, the Board shall not undertake any of the following without the affirmative unanimous approval of the Members:</p> <ul style="list-style-type: none"> A. Any Capital Transaction; B. Conveyance or Mortgage of any Company Property; C. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals, or modifications of such mortgages or deeds of trust; D. The Company’s lending more than \$5,000 on any one occasion; E. The admission of additional Members to the Company; F. The Company’s engaging in business in any jurisdiction other than Pennsylvania; G. The amendment, modification or repeal of the

		<p>Certificate of Organization or this Agreement;</p> <p>H. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments authorizing the confession of judgment against the Company;</p> <p>I. Sale or other disposition of all or substantially all of the assets or Interests of the Company;</p> <p>J. Merger, dissolution or other disposition of the Company;</p> <p>K. A call for Capital Contributions in excess of \$100,000 in the aggregate;</p> <p>L. The purchase or lease of capital equipment with a value over \$200,000.”</p>
<p>North Shore Endoscopy Center, L.L.C.</p>	<p>Allegheny General Hospital: 50% ACDH Endoscopy II, L.L.C.: 50%</p>	<p>“Notwithstanding anything to the contrary in this Agreement, the Board shall not undertake any of the following without the affirmative unanimous approval of the Members:</p> <p>A. Any Capital Transaction;</p> <p>B. Conveyance or Mortgage of any Company Property;</p> <p>C. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals, or modifications of such</p>

		<p>mortgages or deeds of trust;</p> <p>D. The Company's lending more than \$5,000 on any one occasion;</p> <p>E. The admission of additional Members to the Company;</p> <p>F. The Company's engaging in business in any jurisdiction other than Pennsylvania;</p> <p>G. The amendment, modification or repeal of the Certificate of Organization or this Agreement;</p> <p>H. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments authorizing the confession of judgment against the Company;</p> <p>I. Sale or other disposition of all or substantially all of the assets or Interests of the Company;</p> <p>J. Merger, dissolution or other disposition of the Company;</p> <p>K. A call for Capital Contributions in excess of \$100,000 in the aggregate;</p> <p>L. The purchase or lease of capital equipment with a value over \$200,000."</p>
Open MRI of Washington County, L.L.C	West Penn Corporate Medical Services, Inc.: 50%	"Notwithstanding anything to the contrary in this Agreement, the Board shall not undertake any of the following without the affirmative unanimous approval

	Mid-Atlantic Unified Health Systems, Inc.: 50%	<p>of the Members:</p> <p>A. Any Capital Transaction;</p> <p>B. The Company's lending more than \$5,000.00 on any one occasion;</p> <p>C. The admission of additional Members to the Company;</p> <p>D. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies.</p> <p>E. The Company's electing to exercise any Purchase Option pursuant to Section 6.4; and</p> <p>G. The amendment, modification or repeal of the Certificate of Organization or this Agreement."</p>
Peters Township Surgery Center, L.L.C.	<p>West Penn Ambulatory Surgical Company, L.L.C.: 49%</p> <p>Allegheny Specialty Practice Network: 20%</p> <p>Gabriel, Hani F., M.D.: 1%</p> <p>Dickey, James B., M.D.: 10%</p> <p>Pezzone, Michael A.,</p>	<p>"Notwithstanding anything to the contrary, the Board shall not have authority to cause the Company to engage in the following transactions without first obtaining the affirmative vote or written consent of a Supermajority in Interest:</p> <p>(a) Continuing the Business following an event specified in Section 13.1;</p> <p>(b) The sale, lease, exchange or other disposition of all, or substantially all, of the Company's assets, except in the orderly liquidation and winding up upon its duly authorized dissolution;</p> <p>(c) Any merger, reorganization or conversion of the</p>

	<p>M.D.: 7%</p> <p>Scherer, Joseph J., M.D.: 5%</p> <p>Zelt, Roger P., M.D.: 8%</p>	<p>Company, provided that the consent of all Members assuming unlimited liability for the business of the Company as a result of the merger shall also be required;</p> <p>(d) An alteration of the primary purpose of the Company (see Section 3.6);</p> <p>(e) The amendment of this Agreement, except a vote of only three (3) Managers shall be required for amendments that are required, on advice of counsel, as provided in Section 5.8(a);</p> <p>(f) Any act that would make it impossible to carry on the ordinary business of the Company;</p> <p>(g) The confession of a judgment against the Company;</p> <p>(h) The requirement to make additional Capital Contributions in an amount in excess of the amounts set forth in Section 4.3;</p> <p>(i) Decision to voluntarily dissolve the Company; and</p> <p>(j) Relocate the Center.”</p>
Suburban Health Foundation	<p>West Penn Allegheny Health System, Inc. d/b/a Allegheny General Hospital, is the sole voting member</p>	<p>“...[T]he Board of Directors of the Foundation expressly delegates to the Board of Directors of West Penn Allegheny Health System, Inc. d/b/a Allegheny General Hospital the right to:</p> <p>(a) elect all Directors of the Foundation, with the right to remove them with or without cause;</p> <p>(b) approve or disapprove any amendments to the</p>

		<p>Foundation's Articles of Incorporation and Bylaws before they become effective;</p> <p>(c) approve or disapprove annual budgets;</p> <p>(d) 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</p> <p>(e) approve or disapprove any other action of the Foundation which is not in the ordinary course of the Foundation's business."</p> <p>"...[T]he Board of Directors of the Foundation expressly delegates to the Board of Directors of West Penn Allegheny Health System, Inc. the right to:</p> <p>(a) approve or disapprove any amendments of the Articles of Incorporation of the Foundation before they become effective; and</p> <p>(b) approve or disapprove the Bylaws and any amendments of the Bylaws of the Foundation before they become effective.</p> <p>The powers granted by the Foundation to West Penn Allegheny Health System, Inc. shall not be unilaterally altered, amended, or rescinded by the Foundation."</p>
The Western Pennsylvania Hospital Foundation	West Penn Allegheny Health System, Inc. is the	Please see reserved powers listed in <u>Exhibit A</u> .

West Penn/5148 Liberty Avenue Associates	sole voting member	<p>The Joint Venture Agreement contains the following provisions affecting control of decision-making at the joint venture level:</p> <p>“No act shall be taken, sum expended, decision made or obligation incurred by the Joint Venture, the Management Committee, the Manager, the Building Manager, the Construction Manager (as hereinafter defined), or either Venturer with respect to a matter within the scope of any of the major decisions enumerated below (the “Major Decisions”), unless and until the same has been Approved by the Management Committee or expressly delegated by the Management Committee in writing. The Major Decisions shall include:</p> <p>(a) Acquisitions of any land or other real property or interest therein;</p> <p>(b) Financing or refinancing of the Joint Venture or any assets of the Joint Venture, including, without limitation, the financing of the acquisition of the Project, the construction of the Project, interim and long-term financing or refinancing of the Project, and financing operations of the Joint Venture;</p> <p>(c) Sale or other transfer of, or mortgaging or the placing or suffering of any other encumbrance on or affecting the Project or any part or parts thereof;</p> <p>(d) Approval of the form or forms of leases and adoption of the general terms, conditions and standards</p>
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		<p>(the "lease guidelines") for the leasing of space within any of the Project, pursuant to which the Building Manager shall be authorized to negotiate and execute, on behalf of the Joint Venture, leases of such space, except as specifically delegated to the Building Manager in the Building Management Agreement. The parties acknowledge that the initial lease guidelines are set forth in the Building Management Agreement which includes, inter alia, the requirement that the rental rate for the Project for the first Lease Year of any initial lease shall be less than or equal to \$17 per square foot and the rental rate in subsequent lease years shall be less than or equal to the average rental rate per square foot in the Mellon Pavilion owned by West Penn. (The form of the approved lease with tenant's work letter attached is attached hereto as Exhibit C);</p> <p>(e) Execution of any lease or other arrangement involving the rental, use or occupancy of the Project or any part thereof, if such lease or other arrangement provides for terms, conditions or standards substantially less favorable to the Venture than those contained in the lease guidelines or otherwise materially varies from the approved lease guidelines, or from the lease forms attached hereto as Exhibit C;</p> <p>(f) Termination or modification of any lease or other arrangement involving the rental, use or occupancy of the Project or any part thereof, if such lease or other arrangement was required to be Approved by the Management Committee pursuant hereto or if such modification would result in a modified lease or other arrangement which, if it were a new lease, would be required to be Approved by the Management</p>
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		<p>Committee pursuant hereto;</p> <p>(g) The making of any capital improvements in, to or of the Project or any part thereof, except for such matters as may be expressly delegated to the Manager by the Management Committee;</p> <p>(h) Selecting or varying depreciation and accounting methods and making other decisions with respect to treatment of various transactions for state or federal income tax purposes or other financial purposes not otherwise specifically provided for herein, provided that such methods and decisions shall be consistent with the other provisions of this Agreement;</p> <p>(i) Varying or changing any portion of the insurance program Approved by the Management Committee;</p> <p>(j) Approving the Project Plan and all Budgets pursuant to Section 6.9 hereof;</p> <p>(k) Making any expenditure or incurring any obligation by or on behalf of the Joint Venture involving a sum in excess of \$5,000, except for (i) expenditures made and obligations incurred in an amount in each instance of \$10,000 or less pursuant to and specifically set forth in a Budget theretofore Approved by the Management Committee, (ii) expenditures relating to the initial construction of the Project, and (iii) ongoing expenditures of the Project (such as real estate taxes, utility bills, etc. even if in excess of \$10,000, if set forth in Budget Approved by the Management Committee);</p>
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		<p>(l) Making any expenditure or incurring any obligation which when added to any other expenditure for the fiscal year of the Joint Venture materially exceeds the Budget or any line item specified in the Budget;</p> <p>(m) Selection or termination or removal of the Manager or the Building Manager other than pursuant to the terms of the Building Management Agreement;</p> <p>(n) Retention of counsel for the Joint Venture or institution of any legal action, except for such action as the Management Committee may in writing expressly authorize the Manager to institute and except for counsel needed for drafting of tenant leases and enforcing tenant leases as determined by the Building Manager;</p> <p>(o) Any other decision or action which by any provision of this Agreement is required to be Approved by the Management Committee or which materially affects the Joint Venture or the assets or operations thereof."</p>
<p>West Penn Allegheny Foundation, L.L.C.</p>	<p>West Penn Allegheny Health System, Inc. is the sole member</p>	<p>"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:</p> <p>(i) sell, transfer, assign or otherwise dispose of all or substantially all the business or assets of the Company;</p> <p>(ii) merge, consolidate or affiliate with any other entity;</p> <p>(iii) materially change the scope or type of services provided by the Company;</p> <p>(iv) approve the annual operating budgets for the</p>

		<p>Company;</p> <p>(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 tire 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;</p> <p>(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</p> <p>(vii) amend, restate or terminate this Agreement or the Certificate.</p> <p>The Board may not engage or take any other action or task which requires the consent of the Members by virtue of any other provision of this Agreement or by resolutions enacted by the Board or the Members from</p>
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West Penn Allegheny Health System, Inc.	None	time to time."
West Penn Allegheny Oncology Network	West Penn Allegheny Health System, Inc. is the sole voting member	<p>Please see reserved powers listed in <u>Exhibit A</u>, with the following powers absent:</p> <ul style="list-style-type: none"> - The power to adopt or amend "(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." - The power to fix the number of directors or designate the administrative structure of the Corporation. - Requirement for prior notice in the event of the removal of officers. - Requirement for consultation with the Board of Directors prior to removing officers. - The power to "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."

		<p>- The power to "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."</p> <p>- The power to "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."</p> <p>- The power to "adopt and/or approve the strategic plan of the Corporation."</p> <p>Additionally, Bylaws do not include limits imposed by Additional Member triggering events.</p>
West Penn Ambulatory Surgical Company, L.L.C.	West Penn Allegheny Health System, Inc.: 51% Titan Health of West Penn, Inc.: 49%	<p>"Notwithstanding anything to the contrary in this Agreement, the Board shall not undertake any of the following without the affirmative unanimous approval of the Members:</p> <p>(a) Approval of any request for an additional Capital Contribution by the Company or an Operating Company;</p> <p>(b) The Company's lending more than Fifty Thousand</p>

		<p>Dollars (\$50,000) on any one (1) occasion;</p> <p>(c) The Company's engaging in business in any jurisdiction other than Pennsylvania;</p> <p>(d) The amendment, modification or repeal of the Certificate of Organization or this Agreement;</p> <p>(e) Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments authorizing the confession of judgment against the Company; and</p> <p>(f) Merger, dissolution, sale of substantially all of the assets or other disposition of the Company."</p>
<p>West Penn Physician Practice Network</p>	<p>West Penn Allegheny Health System, Inc. is the sole voting member</p>	<p>Please see reserved powers listed in <u>Exhibit A</u>, with the following powers absent:</p> <ul style="list-style-type: none"> - The power to adopt or amend "(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." - The power to fix the number of directors or designate the administrative structure of the Corporation. - Requirement for prior notice in the event of the

	<p>removal of officers.</p> <ul style="list-style-type: none"> - Requirement for consultation with the Board of Directors prior to removing officers. - The power to "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." - The power to "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." - The power to "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." - The power to "adopt and/or approve the strategic plan of the Corporation." <p>Additionally, Bylaws do not include limits imposed by</p>
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		Additional Member triggering events.
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Exhibit A

“A. The Member shall have such powers and rights as are set forth in the [Pennsylvania Nonprofit Corporation Law] 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:

- (1) 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;
- (2) 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.
- (3) 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;
- (4) 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;
- (5) 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;

- (6) 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;
- (7) 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;
- (8) 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;
- (9) 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;
- (10) 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;
- (11) 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;
- (12) 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;
- (13) Adopt and/or approve the strategic plan of the Corporation; and

- (14) 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 [Pennsylvania Nonprofit Corporation Law], 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:

- (1) The adoption or approval of a statement of mission and philosophy of the Corporation;
- (2) The adoption or approval of any amendments of the Bylaws or Articles of Incorporation of the Corporation;
- (3) 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;
- (4) 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;
- (5) 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."