

- (a) At any time or during any period of time that a Senior Physician of the Corporation has any position or relationship with the ~~Sole Member~~, whether as a trustee, director, agent or employee of the ~~Sole Member~~ other than or in addition to his ~~or~~ /her membership on the ~~Sole Member's~~ medical staff with clinical privileges to admit patients, such Senior Physician shall, during such period of time, neither be eligible to vote on the election of ~~the Physician Representative~~ Class A Directors nor to serve, or continue to serve, as a ~~Physician Representative~~ Class A Director.
- (b) If, whether because of death, resignation or any other reason, the number ~~of Physician Representatives of the Board of~~ of Class A Directors should decline to less than 25% of the total number of ~~directors~~ Directors, then the Board of Directors may take no further action until the number ~~Physician Representatives of Class A Directors~~ Physician Representatives of Class A Directors is restored to at least 25% of the total number of ~~directors~~ Directors. Notwithstanding the foregoing, ~~the Board of Directors~~ [New Parent's Member] may take, or facilitate the taking by others of, appropriate action to restore the number of ~~Physician~~ Class A Directors to at least 25% of the total number of Directors; as, for example, by convening the Senior Physicians to elect one of their number as a Class A Director to fill a vacancy, or by taking proper action to reduce the number of Class B Directors.
- (G1259319)
- ~~Representatives~~ — to — at ³
 least 25% of the total number of ~~directors~~; as, for example, by convening the Senior Physicians to elect one of their number as a ~~Physician Representative~~ to fill a vacancy, or by taking proper action — to reduce in the number of ~~JRNIC Representatives of the Board~~.
- (c) ~~(e)~~ — Neither the ~~Sole Member~~ nor the Senior Physicians may elect or appoint ex officio nonvoting ~~directors~~ Directors. However, the ~~JRMC Representatives~~ Class B Directors and the ~~Physician Representatives~~ Class A Directors may invite guests to attend meetings of the Board of Directors.

Section ~~3.33.3~~ VACANCIES. If a vacancy occurs on the Board by death, resignation, refusal to serve, increase in the number of ~~directors~~ Directors or otherwise, the ~~Sole Member~~ shall elect the successor or new ~~director~~ Class B Director if the vacancy is that of a ~~JRMC Representative~~ Class B Director, and the Senior Physicians of the Corporation shall elect a Senior Physician as the successor or new ~~director~~ Class A Director if the vacancy is that of a ~~Physician Representative~~ Class A Director. Each successor Class B Director so elected shall serve for the unexpired portion of the term of the ~~director~~ Director being replaced, and until the ~~director~~ Director's successor is elected and qualified or until such ~~director~~ Director's earlier death, resignation or removal. In the ~~ease~~ case of the election of a ~~JRMC Representative~~ Class B Director to fill a newly created ~~director~~ Director position, such ~~director~~ Director's ~~term~~ term shall be determined by the ~~Sole Member~~.

Section ~~3-4~~3.4 COMPENSATION. No compensation shall be paid to any ~~director~~Director for services as a ~~director~~Director but, at the discretion of the Board, a ~~director~~Director may be reimbursed for travel and actual expenses necessarily incurred in attending meetings and performing other duties on behalf of the Corporation. A ~~director~~Director may be a salaried officer of the Corporation.

Section ~~3-5~~3.5 MEETINGS. The Board shall meet at least ~~semi~~bi-annually at a date and time established by the Board. The first meeting of the fiscal year or such other time as the Board may designate from time to time by resolution shall be the annual meeting of the Board. Special meetings shall be called by the ~~secretary~~Secretary upon the order of the President or at the written request of the ~~Sole~~-Member or a number of ~~directors~~Directors constituting a quorum of the ~~directors~~Directors then in office and entitled to vote. All meetings of the Board of Directors shall be held at the registered office of the Corporation unless otherwise designated in the notice.

Section ~~3-6~~3.6 QUORUM. At all ~~Meetings~~meetings of the Board of Directors, the presence of at least two ~~JRMC Representatives~~(2) Class B Directors and at least two ~~of the Physician Representatives~~(2) Class A Directors in office and entitled to vote shall constitute a quorum. Directors shall be deemed as present at a meeting if a telephone or similar communication equipment is used, by means of which all persons participating in the meeting can hear each other at the same time. The act of a majority of the Directors entitled to vote at a meeting at which a quorum is present shall be the act of the Board. A majority of the ~~directors~~Directors present and entitled to vote ~~and voting as set forth in Section 3.7 below~~, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the ~~directors~~Directors who are not present at the time of adjournment.

Section ~~3-7~~3.7 VOTING. 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 with the affirmative vote of a majority of the Board at a meeting at which a QUORUMquorum is present. Notwithstanding the number of ~~JRMC Representative(s)~~Class B Directors then- currently serving on the Board, the vote of the ~~JRMC~~

~~(01259319)~~Representative(s)Class B Directors shall be weighted to equal fifty-one percent (51%) of the votes taken by the Board (the "JRMC Percentage") and the vote of the ~~Physician Representatives~~Class A Directors shall be weighted to equal forty-nine percent (49%) of the votes taken by the Board (the "Physician Percentage"). In the event that the ~~Sole~~-Member is represented by more than one ~~director~~Director, the JRMC Percentage shall be voted as a block representing the affirmative vote of all of the ~~JRMC Representatives~~Class B Directors.

Section ~~3-8~~3.8 ACTIONS REQUIRING SPECIAL APPROVAL.

- (a) Notwithstanding the foregoing, ~~none of and the provisions of Section 2.2,~~ the following actions shall not be taken unless approved by majority vote of the Physician Representatives and the Sole Member of the Corporation; both the Class A Directors and the Class B Directors, in each case voting as a class;

- (i) Amending the Corporation's Bylaws as they relate to the rights of the ~~Physicians Representatives~~ Class A Directors and/or the Group Practice Director; ~~or, including the amendment or revocation of any of the duties delegated to the Group Practice Director in Article V of these Bylaws;~~
 - (ii) Terminating the employment with the Corporation of a physician without cause; or
 - (iii) The hiring of any new physician or the advancement of a physician to Senior Physician, consistent with contractual obligations.
- (b) Notwithstanding the foregoing and the provisions of Section 2.2, the following actions shall be subject to approval by [New Parent's Member]:
- (i) Initiating litigation or settling litigation in which the Corporation is the plaintiff or defendant;
 - (ii) Adoption or modification of any personnel or human resources policies; and
 - (iii) The taking of any action which would endanger the nonprofit status of the Corporation or the tax exempt status of the Member, [New Parent] or [New Parent's Member].

Section 3.9 NOTICES. Written notice of the date, time and place of each meeting of the Board of Directors shall be given to all ~~directors~~ Directors at least five (5) days in advance of the date thereof. Such notice shall set forth the date, time and place of the meeting. For special meetings, the notice shall also state the general nature of the business to be transacted. Such notice shall be given at the direction of the Secretary or another designated officer of the Corporation and shall be given to each ~~director~~ Director, either personally or by sending a copy thereof by first class or express mail, postage prepaid, or courier service, charges prepaid, or by facsimile to each ~~director~~ Director's address (or facsimile number) appearing on the records of the Corporation, or by such other form of notice as permitted by law. If the notice is sent by mail 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 courier service. If the notice is sent by facsimile, it shall be deemed to have been given to the person entitled thereto when sent. Notice of an adjourned meeting shall be deemed to have been announced at the time of adjournment.

Section ~~3.10~~ 3.10 WAIVER OF NOTICE. Whenever any written notice whatsoever is required to be given under the provisions of applicable law, the Articles of Incorporation of the Corporation, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, shall be deemed equivalent to the giving of such notice. In the case of a special meeting, such waiver of notice shall specify the general nature of the business to be transacted, ~~;~~

Attendance of a ~~director~~ Director at a meeting shall constitute a waiver of notice of the meeting unless the ~~director~~

~~(01269319)~~ Director attends 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.

5

Section ~~3.11~~ 3.11 INTERESTED MEMBERS, DIRECTORS OR OFFICERS.

- (~~a~~) a) No contract or transaction between the Corporation and one or more of its ~~directors~~ Directors or officers or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of the Corporation's ~~directors's~~ Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because a ~~director~~ Director or officer of the Corporation is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, or solely because the votes of such ~~director~~ Director or officer are counted for such purpose, if
- (~~i~~) i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board in good faith authorizes the contract or transaction by the affirmative ~~votes~~ vote of a majority of the disinterested ~~directors~~ Directors even though the disinterested ~~directors~~ Directors are less than a quorum;
 - (~~ii~~) ii) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the ~~directors~~ members of the Board entitled to vote thereon and the contract or transaction is specifically approved in good faith by ~~such directors~~ the members of the Board; or
 - (~~iii~~) iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors or the ~~sole~~ Member.
- (~~b~~) b) Common or interested ~~directors~~ Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes a contract or transaction specified in subsection (a) of this ~~section~~ Section. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting and the effect ~~on~~ on the quorum.
- (~~c~~) c) Actual and potential conflicts of interest involving one or more ~~directors~~ Directors or officers shall be dealt with in the manner described in Section 3.17 of these ~~bylaws~~ Bylaws.

Section ~~3.12~~3.12 STANDARD OF CARE AND FIDUCIARY DUTY. ~~Each director~~ Each Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a ~~director~~Director, including his or her duties as a member of any committee of the Board upon which the ~~director~~Director may serve, in good faith, in a manner the ~~director~~Director reasonably believes to be in the best interests of the 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~~Director shall be entitled to rely in good faith on information, opinions, reports or

~~(01260340)~~ statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (~~a~~)a) one or more officers or employees of the Corporation whom the ~~director~~Director reasonably believes to be reliable and competent in the matters presented;
- (~~b~~)b) counsel, public accountants or other persons as to matters which the ~~director~~Director reasonably believes to be within the professional or expert competence of such persons; and
- (~~c~~)c) a committee of the Board of the Corporation upon which the ~~director~~Director does not serve, as to matters within its designated authority, which committee the ~~director~~Director reasonably believes to merit confidence.

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

Section ~~3.13~~3.13 FACTORS WHICH MAY BE CONSIDERED BY DIRECTORS. In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual ~~directors~~Directors may, in considering the best interests of the Corporation, consider the following to the extent they deem appropriate:

- (~~a~~)a) the effects of any action upon any or all groups affected by such action, including employees, suppliers, customers and creditors of the Corporation, and upon communities in ~~—~~ which offices or other establishments of the Corporation are located;
- (~~b~~)b) the short-term and long-term interests of the Corporation, ~~including the benefits that may accrue to the Corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the Corporation;~~ and
- (~~c~~) ~~— the resources, intent and conduct (past, stated and potential) of any person seeking to acquire control of the Corporation; and~~
- (~~d~~)d) all other pertinent factors.

The Board of Directors, committees and ~~directors~~Directors are not required, in considering the best — ~~interest~~interests of the Corporation or the effects of any action, to regard any corporate interest or the interests of any particular group affected by such action as a dominant or controlling interest or factor. The consideration of interests and factors in the manner described in this ~~section~~Section shall not constitute a violation of Section 3.12 hereof. ~~The fiduciary duty of directors shall not be deemed to require them to act as the Board of Directors, a committee or an individual director solely because of the effect such action might have or an acquisition or potential or proposed~~

~~acquisition of control of the Corporation or the consideration that might be offered or paid to the Sole Member in such an acquisition.~~

(01260210)

~~7~~Absent breach of fiduciary duty, lack of good faith or self-dealing, any act as the Board of Directors, a committee of the Board or an individual director shall be presumed to be in the best interests of the Corporation. In assessing whether the standard set forth in Section 3.12 hereof — has been satisfied, there shall not be any greater obligation to justify, or higher burden of proof — with respect to, any act as the Board, committee or an individual director relating to or affecting — an acquisition or potential or proposed acquisition of control of the Corporation than is applied to any other act as a Board, committee or individual director. Notwithstanding the preceding provisions of this Section 3.13, any act as the Board, committee or an individual director relating to or affecting an acquisition or potential or proposed acquisition of control to which a majority of the disinterested directors shall have assented shall be presumed to satisfy the standard set — forth in Section 3.12, unless it is proven by clear and convincing evidence that the disinterested directors did not assent to such act in good faith after reasonable investigation.Absent breach of fiduciary duty, lack of good faith or self-dealing, any act as the Board of Directors, a committee of the Board or an individual Director shall be presumed to be in the best interests of the Corporation.

~~The term disinterested director means, solely for the purpose of this section,~~

- ~~(a) — a director of the Corporation other than~~
- ~~(i) — a director who has a direct or indirect financial or other interest in the person acquiring or seeking to acquire control of the Corporation or who is an affiliate or associate of or was nominated or designated as a director by, a person acquiring or seeking to acquire control of the Corporation; or~~
 - ~~(ii) — depending upon the specific facts surrounding the director and the act under consideration, an officer or employee or former officer or employee of the Corporation.~~

~~A person shall not be deemed to be other than a disinterested director solely by reason of any or all of the following:~~

- (a) ~~any interest the director may have in retaining the status or position of a director;~~
- (b) ~~the former business or employment relationship of the director with the Corporation; or~~
- (c) ~~receiving or having the right to receive retirement or deferred compensation from the Corporation due to service as an employee.~~

Section ~~3.14~~3.14 RULES AND REGULATIONS. The Board of Directors may adopt rules and regulations not inconsistent with these Bylaws for the administration and conduct of the affairs of the Corporation and may alter, amend or repeal any such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the ~~directors~~Directors present and entitled to vote at a meeting of the ~~directors~~Directors where a quorum is present.

Section 3.15 REMOVAL OF DIRECTORS.

(04260219)

~~8(a) By the Sole Member. Any individual director may be removed from office without assigning any cause by the Sole Member, except as set forth in Section 2.2(a).~~

~~(b) By the Senior Physicians. A Senior Physician may be removed.~~Section 3.15 REMOVAL OF DIRECTORS. Any Class B Director may be removed from office without assigning any cause by the Member. Any Class A Director may be removed from office without assigning any cause by a majority vote of the Senior Physicians.

~~(c) By the Board. The Board of Directors by a majority vote of all of the JRMC Representatives, may declare vacant the office of a JRMC Representative, and by a majority vote of all ' of the Physician Representatives, may declare vacant the office of a Physician Representative, who is declared of unsound mind by an order of the court or is convicted of a felony or other cause. "Other cause" shall mean any action or inaction which, in the sole discretion of the Board, materially and adversely affects or may affect of the Corporation.~~

Section ~~3.16~~3.16 CONSENTS. Any action which may be taken at a meeting of the ~~directors~~Directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the ~~directors~~Directors in office and entitled to vote and shall be filed with the Secretary of the Corporation.

Section ~~3.17~~3.17 CONFLICTS OF INTEREST.

~~(a) Identification. An actual or potential conflict of interest arises with respect to a director when any of the following circumstances exists or is threatened:~~a) Disclosure of Interest. Any Director, officer, or committee member having a Material Interest (as defined below) in a contract or other transaction presented to the Board of Directors or any committee thereof for authorization, approval or ratification, shall make a prompt, full and frank

disclosure of such person's interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about his/her relationship or interest and about the contract or transaction. The Board or committee to which such disclosure is made shall thereupon determine, by majority vote of those present, excluding the interested person, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist or can reasonably be construed to exist, such person shall not vote on nor participate in the discussions and deliberations with respect to such contract or transaction, other than to present factual information or to respond to questions. Such person may be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting or participation. For purposes of this Article, a person shall be deemed to have a "Material Interest" in a contract or other transaction if such person, or a member of his/her other immediate family, is a party, or one of the parties, contracting or dealing with the Corporation, or is a director, officer, or key employee of, or has a significant financial interest in the entity contracting or dealing with the Corporation.

~~(i) a proposed transaction under consideration by the Board, or any ongoing business relationship, involves a Contracting Entity or Competing Entity with respect to which there is an Interested Director; and~~

~~(ii) an opportunity within the scope of activities of the Corporation could be exploited by the Director, the Director's Family Member, a Competing Entity with respect to which there is an Interested Director, or a Contracting Entity with respect to which there is an Interested Director.~~

~~(b) Procedure for Determining Whether a Conflict Exists:~~

~~(i) Disclosure Statements. Each Director shall complete an annual Conflict of Interest Disclosure Statement, describing any connections of the Director or the Director's Family Member with a Competing Entity or a Contracting Entity. It is his or her duty to make a full, frank and fair disclosure of the circumstances giving rise to an actual or potential conflict of interest. Each Director is also obligated to file a supplementary Disclosure Statement if,~~

(01250310)

~~during the year, there is any change in circumstances that alters or makes incomplete the information provided in the original Disclosure Statement. It shall be the responsibility of the President to review each of the Disclosure Statements and bring any perceived conflicts of interest to the attention of the Board of Directors.~~

- ~~(ii) Additional Disclosure. If, during, the course of a meeting of the Board of Directors, a Director is aware that he or she has or may have an actual or a potential conflict of interest in a matter under discussion, the Director shall immediately disclose the material facts about his or her interest in the matter to the Board of Directors, if, during the course of a meeting, the President or any Director believes that another Director has or may have an actual or potential conflict of interest in a matter under discussion, such person shall immediately make such concern known to the Board of Directors.~~
- ~~(iii) Analysis of Conflict Issue. The determination of whether there is a conflict of interest in any particular circumstances shall be made by the President. In the event that the question involves the President, the Vice President or ranking officer present shall make the decision regarding whether a conflict of interest exists. The review shall be subject to the following process:~~
- ~~(A) Questioning of the Involved Director. It is the Involved Director's duty to respond fully and frankly to any questions from the President or other Directors relating to the actual or potential conflict of interest.~~
- ~~(B) Exclusion of the Involved Director. At the President's direction, or upon motion and majority vote of the other Directors present (excluding the Involved Director), the Involved Director shall leave the Board meeting while the question of whether a conflict exists is discussed and, if a conflict is determined to exist, the Involved Director shall leave the Board meeting while the substantive issue which is the subject of the conflict is discussed and shall not vote on said substantive matter,~~
- ~~(iv) Minutes. The minutes shall reflect (i) the disclosure of any alleged conflict; (ii) the determination as to whether an actual or potential conflict of interest exists; (iii) whether the Involved Director was excluded from the Board's deliberations on the conflict issue and/or the substantive issue; (iv) any abstention from voting; and~~
- ~~(v) any action to be taken.~~

(01260210)

~~(e) Definitions:~~

10

- ~~(i) Competing Entity. Any entity that offers healthcare services to the public.~~
- ~~(ii) Contracting Entity. Any entity engaged in the delivery of products or services (e.g., legal, accounting, management, and billing and recordkeeping services) to or under contract with the Corporation.~~
- ~~(iii) Interested Director. A Director who, or whose spouse or other family member residing in the same home ("Family Member"), (i) is an officer, director, employee or agent of a Competing Entity or a Contracting Entity or (ii) is the actual or beneficial owner of at least 5% of the outstanding stock or other ownership interest in a Competing Entity or a Contracting Entity,~~

- ~~(iv) — Involved Director. A Director who is implicated in an actual or potential conflict of interest.~~
- ~~(v) — Protected Information. Any information about the Corporation which is acquired by a Director by virtue of being a Director, including without limitation, information concerning the provision of products or services, finances, and institutional planning.~~
- (b) Prohibited Transactions. Members of the Board of Directors shall not engage in the following transactions:
- (i) The sale, exchange or leasing of property or services between the Corporation and a member of the Board of Directors or an entity in which he or she has a Material Interest, on a basis less favorable to the Corporation than that on which such property or services are made available to the general public.
- (ii) Furnishing of goods, services or facilities by the Corporation to a member of the Board of Directors, unless such furnishing is made on the same basis on which such goods, services or facilities are made available to the general public or to the employees of the Corporation.
- (iii) Any transfer to or use by or for the benefit of a member of the Board of Directors of the income or assets of the Corporation, except purchase for fair market value.
- (c) Annual Disclosure Statements. The Board of Directors shall require that all prospective Directors and all members of the Board of Directors execute and submit, at the time of election or appointment, and annually thereafter, a written statement indicating any Material Interests which could give rise to conflicts of interest and any interests which are or may reasonably be construed to be Competing Interests (as defined below). While the written statement is required annually, it is a continuing responsibility of appointees and Directors to provide prompt notice to the Corporation of any changes. Notice of this requirement and other provisions of this Section shall be given to prospective candidates for election or appointment.
- (d) Competing Interests. No person shall be eligible to serve as a Director (or to continue to so serve) if he or she has or acquires a “Competing Interest,” as defined below:
- (i) “Competing Interest” shall be defined as including any of the following situations:

A person (or his or her immediate family member) who, directly or indirectly, owns or holds an investment or ownership interest (other than an ownership or investment interest in less than five percent (5%) of the common stock of a publicly-traded company) in an

entity identified or determined by the Corporation from time to time as a competitor;

A person (or his or her immediate family member) who holds a leadership position in an entity identified or determined by the Corporation from time to time as a competitor. Leadership position shall include, without limitation, service on the board, a board committee or a planning committee of or holding a management contract with such a competitor; or

A person who is employed by or has a compensation arrangement with a competing entity. "Immediate family member" means spouse, siblings, parents, children, stepchildren, grandchildren and their spouses.

Examples of entities deemed by the Corporation to be competing entities include, without limitation: general hospitals; specialty hospitals; freestanding surgery centers; specialty diagnostic centers; specialty treatment centers; specialty therapy centers or other entities operating or which should be operating in whole or in part under a healthcare facility license, but do not include physician offices with equipment customarily and routinely used or contained in a physician office (e.g., EKG machine used by a cardiologist).

- (ii) It shall be the responsibility of prospective Directors and current Directors to promptly disclose the existence of all ownership or investment interests, leadership positions and employment or compensation arrangements, regardless of whether they fall within the above definitions. If such interest is in an entity that the Corporation has previously determined to be a competing entity, the prospective Director or current Director shall be automatically ineligible to serve or continue serving as a Director and shall be deemed to have automatically resigned his or her position or interest in a position on the Board and its committees.
- (iii) If it is necessary for the Board to determine whether the entity in question is a competing entity, the Board, by majority vote of those present (excluding the interested person) shall decide whether a Competing Interest exists. If a Competing Interest exists, the interested person shall no longer be eligible for consideration as a prospective Director or, if already serving as a Director, shall not continue to serve, and shall be deemed to have automatically resigned his or her interest in a position on the Board and its committees.

~~Article IV~~—ARTICLE IV

Officers

Section ~~4.14.1~~ ENUMERATION. The officers of the Corporation shall consist of a President, Secretary and Treasurer and such other officers and assistant officers as the Board of Directors may, from time to time, designate. The members of the Board may also elect a Chairperson to preside at meetings of the Board ~~and the members~~.

Section ~~4.24.2~~ TERM OF OFFICE. Each officer shall serve for a term of one (1) year and until the officer's successor is duly elected and takes office.

Section ~~4.34.3~~ ELECTION. ~~Except as set forth in Section 4.4, all~~ All officers shall be elected prior to the beginning of the fiscal year by ~~the Board of Directors~~ [New Parent's Member].

Section ~~4.44.4~~ VACANCIES. Any vacancy ~~occurring~~ occurring by death, resignation, refusal to serve, or otherwise may be filled by ~~the President or by the Directors entitled to vote, all subject to the approval of the Sole Member~~ [New Parent's Member].

Section ~~4.5~~ PRESIDENT. ~~The Group Practice Director, who shall be a physician annually elected or appointed by the Physician Representatives, shall serve as the President of the Corporation.~~ 4.5 PRESIDENT. The President shall be responsible for and have supervision over the management

~~(01250249)~~ and administration of the Corporation, subject to the control of the Board of Directors and the ~~Sole Member, Any removal of the President shall be subject to Article IV of the Bylaws~~ Member.

Section ~~4.64.6~~ SECRETARY. The Secretary shall make or cause to be made minutes of all meetings of the Board of Directors. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Board of Directors, shall affix the corporate seal at the direction of the President and, generally, will perform all duties incident to the office of secretary of a corporation and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

Section ~~4.74.7~~ TREASURER. The Treasurer shall supervise the financial activities of the Corporation. Specifically, the Treasurer shall see that (a) full and accurate accounts of receipts and disbursements are kept, (b) a system is in ~~place~~ place such that all monies and other valuable effects are deposited in the name and to the credit of the Corporation in such depositories as shall be designated by the Board, (c) the Directors at the regular meetings of the Board or whenever they may require it, receive an account of the financial condition of the Corporation, and ~~(e)d~~ (e)d an annual audit of the Corporation's books and records is performed by an auditor selected by ~~the Board~~ [New Parent's Member]. In performing these functions, the Treasurer may rely on employees of the Corporation or any affiliated corporation who possess special financial training and skills and whose employment responsibilities include management of the Corporation's financial affairs. In the absence or disability of the Treasurer, the Assistant Treasurer, if any, shall perform all the duties of

the Treasurer and when so acting shall have all of the powers of and be subject to all of the restrictions upon the Treasurer.

Section ~~4.8~~4.8 OTHER OFFICERS. Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Board of Directors and as are approved by [New Parent's Member] from time to time. Each assistant officer shall carry out the responsibilities and duties of the officer which the assistant officer assists in the event such officer is unable to perform such responsibilities or duties, except that no assistant officer shall become a Director solely by virtue of being an assistant officer.

Section ~~4.9~~4.9 BONDS. The Board may, in its discretion, require the Treasurer and any other officer to give bond in such amount and with such surety or sureties as may be satisfactory to the Board for the faithful discharge of the duties of the office and for the restoration to the Corporation, in case of the officer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind belonging to the Corporation in the officer's possession or under the officer's control.

Section ~~4.10~~4.10 REMOVAL OF OFFICERS. Any officer may be removed by ~~the Sole~~[New Parent's Member] whenever, in its judgment, the best interests of the Corporation will be served.

(01260310)

12

ARTICLE V

Article V

Group Practice Director

Section 5.1 DUTIES. The Group Practice Director, who, at the date of the adoption of these Bylaws is James Shanahan, MDM.D., shall ~~at all times~~ be a Senior Physician of the Corporation annually elected or appointed by the Senior Physicians of the Corporation, subject to approval of [New Parent], not to be unreasonably withheld, and shall act as chief administrative officer of the ~~corporation~~Corporation, having ~~overall~~ responsibility for ~~operations of the Corporation to ensure~~ensuring quality, cost effective care. ~~These duties~~ The Group Practice Director shall at all times while serving as such be a physician duly licensed and qualified in the Commonwealth of Pennsylvania and shall not at any time have been excluded from participation in Medicare, Pennsylvania Medical Assistance, or other federal or state healthcare program. The duties of the Group Practice Director shall include, but not be limited to, the following:

~~Accept and maintain appointment by Corporation as President.~~ (a) Develop and implement goals and objectives for the Corporation.

(b) Chair and serve as a voting member of all committees which may be established relating to compensation and physician productivity.

- ~~(d)~~ (c) Chair and serve as a voting member of all committees which may be established relating to physician recruitment and retention, as well as the maintenance of appropriate staffing levels and, when necessary, the termination of a physician's employment.
- ~~(e)~~ (d) Maintain oversight of the professional performance of all members of the Corporation.
- ~~(f)~~ (e) Organize, supervise and coordinate clinical services of the Corporation.
- ~~(g)~~ (f) Prepare or direct the preparation of such reports and records as may be required by law, regulatory bodies, whether public or private, these Bylaws, ~~Rules and Regulations~~ or as may be reasonably required by the ~~Board~~ Corporation.
- ~~(h)~~ (g) Assist ~~the~~ the Corporation in assuring that the Corporation is in compliance with the regulations of all federal, state and local governmental and regulatory bodies and all applicable accrediting agencies, ~~including but not limited to The Joint Commission, as well as with these Bylaws, Medical Staff Bylaws, Medical Staff Rules and Regulations and credentialing and Due Process Manual.~~
- ~~(i)~~ ~~Develop~~ (h) Assist in developing appropriate standards of care and policies and procedures for the operation of the Corporation.
- ~~(j)~~ (i) Assist in developing a comprehensive and effective quality assurance and utilization review program for the Corporation.
- ~~(k)~~ (j) Assist with the preparation of annual reports, as well as operating and capital budgets for the Corporation.
- ~~(01259310) 13(1)~~ ~~k~~ (k) Assist in maintaining effective community relations by speaking at civic associations and other organizations on behalf of the Corporation and attending such community and public relations functions as may be reasonably ~~may be~~ requested by the ~~Board~~ Corporation.
- ~~(m)~~ (l) Have the authority to enter into operational contracts, with prior ~~Board~~ approval of the Board of Directors.

Section 5.2 SUCCESSOR. ~~in~~ In the event that the Group Practice Director is no longer employed by the Corporation or withdraws or is removed by ~~the~~ majority vote of the ~~Physician Representatives as Group Practice Director, the Physician Representatives~~ Senior Physicians of the Corporation, the Senior Physicians of the Corporation shall choose his/her successor, subject to ~~the~~ approval of ~~the Sole Member, whose approval shall~~ [New Parent], not to be unreasonably withheld.

~~Article VI~~

Budget

~~Section 6.1 Budget Approval. The Corporation and the JRMC Representatives shall prepare an annual budget for submission to and approval by the Corporation's Board of Directors and, if approved by the Corporation's Board of Directors, for submission and approval by the JRMC Board of Directors (or its designee). The budget shall take into account the most recent reimbursement rates payable by the third party payors for services provided by the Physician employees (adjusted by known changes in such rates that are scheduled to be effective for/during the applicable fiscal year), as well as the most recent twelve (12) month productivity figures for the Corporation's Physicians.~~

~~Article VII~~

ARTICLE VI

Committees

Section ~~7.1~~6.1 COMMITTEES. The Corporation shall have such standing and ad hoc committees as the Board may deem advisable in the administration and conduct of the affairs of the Corporation. Such committees of the Board shall meet as necessary to accomplish their goals. The Board is authorized in its discretion to approve reimbursement for travel and actual expenses necessarily incurred by members of committees in attending committee meetings and in performing other official duties as such. ~~Except as otherwise provided in these Bylaws or in the resolution creating the applicable committee, committee~~ Committee chairpersons and members shall be appointed annually by the ~~President~~Board of Directors and may be reappointed to a committee for an -unlimited number of terms. With the exception of the Executive Committee, if any, persons who are not Directors are eligible to serve as committee members. ~~Any person authorized by these Bylaws to appoint the chairman and/or members of any committee may appoint himself or herself as chairman and/or member.~~ The chairman of each committee ~~shall~~shall determine the date and place of all committee meetings. Each committee may adopt its own rules of procedure not inconsistent with these Bylaws.

(04260310)

Section ~~7.2~~6.2 COMPENSATION COMMITTEE. There shall be a Compensation Committee composed of ~~the at least one (1) Class B Director and~~ three (3) Senior Physicians who must be full time employees of the Corporation to be eligible to remain as members of the Committee. The Group Practice Director shall be the ~~Chairman~~chairman of the Committee. The Committee will set the base compensation amounts (i.e. the bi-weekly draw amounts) for each of the Senior Physicians and the other employed physicians, if any, at the beginning of each fiscal year as well as the wRVU requirements, if any, that are specific to such physicians. The Compensation Committee shall determine the amount of additional compensation, and/or incentive compensation, if any, to be paid to

each physician employee after a year-end reconciliation is performed. The Board of Directors shall review the procedures/formula adopted by the Compensation Committee for determining base compensation (draws), additional compensation, and/or incentive compensation to ensure compliance with regulatory requirements.

Section ~~7.36.3~~ LIMITATION ON POWER OF COMMITTEES. No such committee shall have any power or authority as to the following:

- (~~aa~~) the submission to the ~~Sole~~-Member of any action requiring approval of the ~~Sole~~-Member;
- (~~b~~) the filling of vacancies in the Board of Directors;
- (~~c~~) the adoption, amendment or repeal of ~~the~~these Bylaws;
- (~~d~~) the amendment or repeal of any resolution of the Board; or
- (~~e~~) action on matters committed by ~~the~~these Bylaws or a resolution of the Board to another ~~Committee~~committee of the Board.

~~Article VIII~~ARTICLE VII

Limitation of Personal Liability of Directors

Section ~~8.1~~ LIMITATION OF DIRECTORS' PERSONAL LIABILITY. ~~A Director of the Corporation shall not be personally liable for monetary damages for any action taken unless the Director has breached or failed to perform the duties of his office under Chapter 57, Subchapter B of the NPCL as in effect at the time of the alleged action by such Director and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Such limitation on liability does not apply to the responsibility or liability of a Director pursuant to any criminal statute or for payment of taxes pursuant to any Federal, state or local law.~~7.1

Section ~~8.2~~ PRE-SERVATION OF RIGHTS. ~~Any repeal or modification of this Article by the Corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.~~

(01260410)

- (~~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 Section 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 Section or provision of these Bylaws 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.

~~15~~ **Article** AR

TICLE VIII

Indemnificatio

n

~~Section 9.1 MANDATORY INDEMNIFICATION OF DIRECTORS AND OFFICERS.~~ The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law (including but not limited to the indemnification provided by Chapter 57, Subchapter D of the NPCL), each Director and/or officer (including each former Director or officer) of the Corporation who was or is or is threatened to be made a party to or a witness in any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that the Director or officer 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 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. 8.1

~~Section 9.2 MANDATORY ADVANCEMENT OF EXPENSES TO DIRECTORS AND OFFICERS.~~ The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 9.1 hereof in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 9.1 hereof 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 9.4 hereof.

~~Section 9.3 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,~~

- ~~(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 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 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 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. The Corporation may, as determined by the Board of Directors from time to time, pay expenses~~

(01260210)

~~incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 9.3 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 9.4 hereof.~~

~~Section 9.4 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 NPCL or any successor statute as in effect at the time of such alleged action or failure to take action.~~

~~Section 9.5 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 indemnification and advancement of expenses provided by this Article 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, vote of disinterested Directors, 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 Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article by the Sole Member 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, 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 VIII, shall mean any Director, officer, 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 VIII.

- (b) ~~Section 9.6 DEFINITION OF AUTHORIZED REPRESENTATIVE. For the purposes of this Article, the term "authorized representative" shall mean a Director, 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 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 agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors.~~ Right to Indemnification - Third Party Actions. Without limiting the generality of Section 8.1(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 8.1(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 8.1(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. Expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VIII 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 VIII or otherwise.

(e) ~~Section 9.7~~ PROCEDURE FOR EFFECTING INDEMNIFICATION. Procedures for Effecting Indemnification. Unless ordered by a court, any indemnification under ~~this Article VIII or the NPCL shall be made only following~~ Section 8.1(a), Section 8.1(b) or Section 8.1(c) shall be made by the Corporation only as authorized in the specific case upon a determination that ~~the indemnification of the representative is proper~~ in the circumstances because ~~the person, seeking indemnification~~ 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 vote of a quorum consisting of Directors who were not party to the action or proceeding;~~ (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) 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.

(91260310)

~~(b) if such quorum is not~~ 17

~~obtainable or if obtainable and a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or~~

~~(e) by Sole Member,~~

Article X

- (f) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article VIII 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 and 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 VIII shall not be made in any case where 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.
- (h) Grounds for Indemnification. Indemnification pursuant to this Article VIII, 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 VIII 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 VIII shall be applicable to all actions, suits or proceedings within the scope of Section 8.1(a), Section 8.1(b) or Section 8.1(c) of these Bylaws, 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 VIII.
- (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 VIII or otherwise.

- (k) Status Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VIII 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 VIII, 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 VIII 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 to Directors, officers and employees of the Corporation pursuant to Section 8.1(k).

ARTICLE IX

Restrictions Regarding the Operations of the Corporation; Administration of Funds

Section ~~10.19.1~~ 9.1 NO PRIVATE BENEFICIARIES. The Corporation shall not pay dividends or distribute any part of its income or profits to its members, Directors, or officers, except that the Corporation may pay compensation in a reasonable amount to its ~~members, Directors, or officers~~ for services rendered, and may reimburse Directors for expenses in accordance with Section 3.4 of these Bylaws.

Section ~~10.29.2~~ 29.2 ANNUAL REPORT. The Treasurer shall submit annually to the Board of Directors a statement containing those details required to be included under the provisions of the ~~NPCL~~ Nonprofit Corporation Law, as it may be amended from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws.

Section ~~10.39.3~~ BOOKS AND RECORDS. The Corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of the ~~Sole Member, Board of Directors and committees,~~ and records of actions taken by the Member relating to the Corporation. The Corporation will keep at its registered office the original or a copy of its Bylaws including amendments to date, certified by the Secretary of the Corporation and an original or duplicate membership register, giving the names of the members and showing their respective addresses, and the class and other details of membership. ~~Every member~~ The Member, [New Parent] and [New Parent's Member] shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account and records of the proceedings of ~~the members and~~ Directors, and records of actions taken by the Member relating to the Corporation, and to make copies ~~o~~ or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as ~~a member, the Member, [New Parent] or [New Parent's Member].~~ Where an attorney or other agent is the person who seeks the right of inspection, the demand under oath shall be accompanied by a power of attorney or another writing authorizing the attorney or other agent to act on behalf of ~~the member~~ such person.

ARTICLE X

Dissolution

Upon the dissolution or liquidation of the Corporation, after paying or making provision for 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 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 [New Parent], or its successor, provided that [New Parent] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution of the Corporation, both the Member and [New Parent], 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 [New Parent's Member], or its successor, provided that [New Parent's Member] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution of the Corporation, each of the Member, [New Parent] and [New Parent's Member], 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 (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 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.

~~Article~~ ARTICLE XI

Bylaws Amendments

~~Section 11.1 AUTHORITY. Unless approval of the Sole Member is required by the NPCL, these~~ These Bylaws may ~~only~~ be altered, amended and/or repealed by a vote of a majority of the Board of Directors voting as set forth in Section 3.7 or the Sole member, except as provided in Section 2.2 of these Bylaws, or repealed, or new Bylaws may be adopted only by [New Parent's Member], subject to Section 2.2(c)(ii), Section 3.2, Section 3.3, Section 3.8(a) and Article V hereof.

~~Section 11.2 NOTICE. The Directors of the Corporation shall be given at least ten (10) days' prior written notice of any Board meeting at which proposed changes to the Bylaws of the~~

~~(01260210)~~

~~18 Corporation are to be considered or acted upon. Such written notice shall include a copy of the proposed amendment or a summary of the changes to be effected thereby.~~

012602104

19

32

SECRETARY'S CERTIFICATE

THIS IS TO CERTIFY that the foregoing Bylaws of Grandis, Rubin, Shanahan & Associates (the "Corporation") have been duly adopted by the ~~directors~~Directors of the Corporation and by Jefferson Regional Medical Center, as the Corporation's ~~Sole~~ Member, as of ~~December 20,~~ _____, 2013.

~~2011.~~

IN WITNESS WHEREOF, the undersigned, duly elected and acting Secretary of the Corporation, has signed this Certificate and affixed the seal of the Corporation hereon this ~~20th~~ _____ day of ~~December, 2011,~~ _____, 2013.

~~Marcie Caplan~~

Secretary of the Corporation

(01259319)

~~20~~

TAB 19

AMENDED AND RESTATED BYLAWS

OF

STEEL VALLEY ~~ORTH-PAEDICS~~ORTHOPAEDICS AND SPORTS MEDICINE

A Pennsylvania Nonprofit Corporation

~~**Article I**~~

ARTICLE I

Introductory

Section ~~1.1~~1.1 **NAME**. The name of the Corporation is Steel Valley Orthopaedics and Sports Medicine.

Section 1.2 STATEMENT OF PURPOSES. The Corporation is organized under the Pennsylvania Nonprofit Corporation Law of 1988, as amended (the "Nonprofit Corporation Law") for charitable, scientific and educational 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) Section 1.2 STATEMENT OF PURPOSES.~~ As provided in its Articles of Incorporation, the Corporation is organized for the purpose of arranging To arrange for the provision of ~~healthcare~~ health care services;
- (b) To operate as part of the nonprofit health care system governed by [New Parent's Member], a Pennsylvania nonprofit corporation ("[New Parent's Member]"), and support a health care provider network comprised of the Member and those corporations and other entities over which the Member exercises governance control (the "subsidiaries");
- (c) To exercise such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law, as amended from time to time, or any successor legislation;
- (d) To carry out 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; and
- (e) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

Section ~~1.3~~1.3 OFFICES. The principal and registered office of the Corporation shall be located at 565 Coal Valley Road, ~~P.O.~~ Box 18119, Pittsburgh, PA 15236-0119, or at such other place as the Board of Directors may designate from time to time.

Section ~~1.4~~1.4 FISCAL YEAR. The fiscal year of the Corporation shall end on ~~June 30 of each year or on~~ such other date day as may shall be fixed ~~from time to time by resolution of the Board of Directors~~ by [New Parent's Member].

Section ~~1.5~~1.5 SEAL. The corporate seal of the Corporation, if any, shall be a circle with the name of the Corporation and the state of incorporation around the border and the words "Corporate Seal" in the center.

Section ~~1.6~~1.6 GOVERNING LAW. The Corporation shall be governed by the ~~Pennsylvania Nonprofit Corporation Law of 1988,~~ as it may be amended from time to time ("NPCL").

~~Article~~
SoleARTICLE II

Member

Section ~~2.1~~ SOLE MEMBER. ~~Jefferson Regional medical Center shall be the sole member of the Corporation (the "Sole Member").~~ 2.1. MEMBER. The Corporation shall have one (1) member, which shall be Jefferson Regional Medical Center (the "Member"). There shall be no other members or classes of membership. The President/CEO of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted by the Member to the President/CEO 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 [New Parent's Member] as set forth in these Bylaws.

Section ~~2.2~~ RIGHTS AND POWERS. ~~In addition to the rights of members set forth in the NPCL, the Sole Member shall have the power to initiate and approve and to reverse the following actions:~~ 2.2 RIGHTS AND POWERS.

(01280674)

1

- (a) ~~nomination, election, and removal of all officers and directors (other than those directors appointed or elected by the Senior Physicians (as defined in Section 3.2 below) of the Corporation ("Physician Representatives"); (who shall be removed only for cause);~~

(a) Reserved Powers of Member.

(i) The Member shall have the right and power to make recommendations to [New Parent], a Pennsylvania nonprofit corporation ("[New Parent]"), and [New Parent's Member] with respect to actions by [New Parent] and [New Parent's

Member] on matters reserved to [New Parent] and [New Parent's Member] under Sections 2.2(b) and 2.2(c) of these Bylaws. [New Parent] and [New Parent's Member] 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

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

~~(b) — any change in the number of directors except that any change must be consistent with the requirements of Section 3.2 of these Bylaws regarding the minimum number of Physician Representatives, and a reduction in the number of the Physician Representative positions must be approved by the Physician Representatives;~~a) To determine the number of Directors that will comprise the Board of Directors of the Corporation and its subsidiaries, except that any change with regard to the Corporation must be consistent with the requirements of Section 3.2 of these Bylaws regarding the minimum number of Class A Directors (as hereinafter defined), and a reduction in the number of Class A Director positions must be approved by the Class A Directors;

~~(c) — all operating and capital budgets and amendments thereto;~~

~~(d) — all fundamental change transactions and all other transactions not in the ordinary course of business;~~

~~(e) — all amendments to articles of incorporation and bylaws, except changes to Sections 3.2 (regarding Board of Directors, Election, Number and Term), 3.3 (regarding the election of Physician Representatives to fill vacancies), 3.7 (regarding the Physician Percentage), 3.8 (regarding Special Approval), 7.2 (regarding the Compensation Committee) and Article V (regarding Group Practice Director) of these Bylaws, which must be approved by the Physician Representatives;~~

~~(f) — indebtedness (i) which individually exceeds an amount established by the Sole member from time to time or (ii) if such individual indebtedness is less than such amount, such indebtedness which, when added to the aggregate unpaid balance of all of the Sole Member's affiliated corporations' outstanding indebtedness (exclusive of mortgaged real estate) ("System Indebtedness"), causes the System Indebtedness to exceed an amount established by the Sole Member from time to time;~~

~~(g) — selection of independent auditors and legal counsel;~~

~~(h) — the entry into joint ventures or partnerships by the Corporation;~~

~~(i) — the execution of any amendment or revision to the Master Agreement with The Washington Physician Services Organization, which must be approved by the Physician Representatives;~~

~~(j) — the execution of any management agreement, managed care contract, third party payor contract, or any other contract or material transaction involving the Corporation or its business not in the ordinary course of business; and~~

~~(k) all other actions or tasks as are reserved to or required of the Sole Member by virtue of any other provisions of these Bylaws or by resolutions enacted by the Board of Directors of the Corporation from time to time.~~

(01280614)

~~Section 2.3 MANNER OF ACTING. The~~ ²

~~Sole Member shall act by executing and delivering to the President of the Corporation a written instrument signed by an officer or authorized agent of the Sole Member setting forth the action taken by the board of directors of the Sole Member or by the officer or board committee authorized by the board to take such action.~~

b) To elect the Class B Directors (as hereinafter defined) of the Corporation and the directors of its subsidiaries; and

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

(b) Reserved Powers of [New Parent]:

[New Parent] shall have the right and power to make recommendations to [New Parent's Member] with respect to actions by [New Parent's Member] on the matters reserved to [New Parent's Member] under Section 2.2(c) of these Bylaws. [New Parent's Member] shall have no obligation to approve any such recommendations, and [New Parent's Member] may take actions that have not been recommended by, or that are contrary to recommendations of, [New Parent].

(c) Reserved Powers of [New Parent's Member]:

[New Parent's Member] will have plenary authority with regard to the following:

(i) To elect and remove, with or without cause, all officers, including the President, of the Corporation and its subsidiaries;

(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 [New Parent], the Member or Board of Directors of the Corporation; provided however, that [New Parent's Member] will have no power to amend, revise or restate Section 3.2, Section 3.3 (regarding the election of Class A Directors to fill vacancies), Section 3.8(a), Article V or this proviso of Section 2.2(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) the Class A Directors, voting as a class, and (b) the Class B Directors, voting as a class;

(iii) To adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) To change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) 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 [New Parent], the Member or the Board of Directors of the Corporation before such action becomes effective; provided however, that the consent of each of the Class A Directors serving on the Board of Directors who was a party to an employment contract with the Corporation on August 13, 2012 that has not expired or been terminated in accordance with its terms, shall be required as a condition precedent to any of the actions described in this Section 2.2(c)(v) that are proposed to be taken between August 13, 2012, and the later of three (3) years thereafter (if such employment contract has not expired or been terminated in accordance with its terms) or the date when such employment contract expires or is terminated in accordance with its terms;

(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) 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) 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) 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, [New Parent's Member] 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 [New Parent's Member] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [New Parent] or other governing body or officer with respect to such action shall be necessary with respect hereto.

~~Article III~~ ARTICLE III

Board of Directors

~~Section 3.1~~ 3.1 AUTHORITY. Subject to the rights ~~of the Sole Member~~ and powers described in Section 2.2 and any limitations set forth elsewhere in these Bylaws or the ~~Articles of Incorporation~~ of the Corporation, the affairs of the Corporation shall be under the general direction of a Board of Directors which shall administer, manage, preserve and protect the property of the Corporation. ~~Directors need not be members, provided, however, that day-to-day operations in the ordinary course of business shall be under the management and control of the Senior Physicians of the Corporation.~~

~~Section 3.2~~ 3.2 ELECTION, NUMBER AND TERM. The ~~initial~~ Board of Directors of the Corporation shall initially consist of ~~the four Senior Physicians (defined below) (the "Physician Representatives") provided such Senior Physicians remain at least four (4) physician representative(s) employed by the Corporation (except as provided in Section 3.2(a)), and such other directors ("IRMC Representatives"),~~ and invited to become a member of the Board of Directors by appointment or election by the Senior Physicians of the Corporation (herein the "Class A Director(s)"), and at least four (4) Director(s) as may be designated from time to time by the ~~Sole Member, not to exceed four.~~ Member (herein the "Class B Director(s)). "Senior Physician" shall mean the original Senior Physicians of the Corporation (Mark L. Lesh, M.D., Jeffrey M. Matheny, M.D., Edward D. Poon, M.D. and

David J. Stapor, M.D.), so long as they remain physician employees of the Corporation, and subsequently those physician employees of the Corporation designated as Senior Physicians by a majority- of the ~~physician employees~~ Senior Physicians of the Corporation, subject to approval by the ~~Sole Member~~. ~~Senior Physicians must at all times be physicians duly licensed and qualified to practice medicine in the Commonwealth of Pennsylvania and shall not at any time have been excluded from participation in Medicare, Pennsylvania Medical Assistance, or other federal or state healthcare program. The number of Physician Representatives serving on the Board of Directors shall at all times be not less than 25% of the total number of directors. The Physician Representatives~~ Member. The Class A Directors may continue in office only so long as they remain ~~employed as~~ Senior Physicians ~~subject to the other provisions of the Bylaws~~ Corporation. The term: of the ~~JRMC Representatives~~ Class B Directors shall be determined by the ~~Sole Member~~. Notwithstanding the foregoing:

(a) At any time or during any period of time that a Senior Physician of the Corporation has any position or relationship with the ~~Sole Member~~—, whether as a trustee, director, agent or employee of the ~~Sole Member~~— other than or in addition to his ~~or~~ /her membership on the ~~Sole Member's~~ medical staff with clinical privileges to admit patients, such ~~senior~~ Senior Physician shall, during such period of time, neither be eligible to vote on the election of ~~the Physician Representative~~ Class A Directors nor to serve, or continue to serve, as a ~~Physician Representative~~ Class A Director.

(b) ~~If whether because of death, resignation or any other reason, the number of Physician Representatives of the Board of Directors should decline to less than 25% of the total number of directors, then the Board of Directors may take no further action until the number Physician Representatives is~~

(01269574)

3

If, whether because of death, resignation or any other reason, the number of Class A Directors should decline to less than 25% of the total number of Directors, then the Board of Directors may take no further action until the number of Class A Directors is restored to at least 25% of the total number of directors Directors. Notwithstanding the foregoing, ~~the Board of Directors~~ [New Parent's Member] may take, or facilitate the taking by others of, appropriate action to restore the number of ~~Physician Representatives~~ Class A Directors to at least 25% of the total number of ~~directors~~ Directors; as, for example, by convening the Senior Physicians to elect one of their number as a ~~Physician Representative~~ Class A Director to fill a vacancy, or by taking proper action to reduce ~~in~~ the number of ~~JRMC Representatives of the Board~~ Class B Directors.

(c) ~~Neither the Sole Member nor the Senior Physicians may elect or appoint ex officio nonvoting directors~~ Directors. However, the ~~JRMC~~

8

~~Representatives~~Class B Directors and the ~~Physician-Representatives~~Class A Directors may invite guests to attend meetings of the Board of Directors.

Section ~~3-3~~3.3 VACANCIES. If a vacancy occurs on the Board by death, resignation, refusal to serve, increase in the number of ~~directors~~Directors or otherwise, the ~~Sole~~ Member shall elect the successor or new ~~director~~Class B Director if the vacancy is that of a ~~JRMC-Representative~~Class B Director, and the Senior Physicians of the Corporation shall elect a Senior Physician as the successor or new ~~director~~Class A Director if the vacancy is that of a ~~Physician-Representative~~Class A Director. Each successor Class B Director so elected shall serve for the unexpired portion of the term of the ~~director~~Director being replaced, and until the ~~director~~Director's successor is elected and qualified or until such ~~director~~Director's earlier death, resignation or removal. In the case of the election of a ~~JRMC-Representative~~Class B Director to fill a newly created ~~director~~Director position, such ~~director~~Director's term shall be determined by the ~~Sole~~-Member.

Section ~~3-4~~3.4 COMPENSATION. No compensation shall be paid to any ~~director~~Director for services as a ~~director~~Director but, at the discretion of the Board, a ~~director~~Director may be reimbursed for travel and actual expenses necessarily incurred in attending meetings and performing other duties on behalf of the Corporation. A ~~director~~Director may be, ~~b,~~ a salaried officer of the Corporation.

Section ~~3-5~~3.5 MEETINGS. The Board shall meet at least ~~semi~~bi-annually at a date and time established by the Board. The first meeting of the fiscal year or such other time as the Board may designate from time to time by resolution shall be the ~~annual~~annual meeting of the Board. Special meetings shall be called by the Secretary upon the order of the President or at the written request of the ~~Sole~~-Member or a number of ~~directors~~Directors constituting a quorum of the ~~directors~~Directors then in office and entitled to vote. All meetings of the Board of Directors shall be held at the registered office of the Corporation unless otherwise designated in the notice.

Section ~~3-6~~3.6 QUORUM. At all meetings of the Board of Directors, the presence of at least two ~~SRMC-Representatives~~(2) Class B Directors and at least two (2) of the ~~Physician-Representatives~~Class A Directors in office and entitled to vote shall constitute a quorum. Directors shall be deemed as present at a meeting if a telephone or similar communication equipment is used, by means of which all persons participating in the meeting can ~~hear~~hear each other at the same time. The act of a majority of the Directors entitled to vote at a meeting at which a quorum is present shall be the act of the Board. A majority of the ~~directors~~Directors present and entitled to ~~vote and voting as set forth in Section 3.7 below,~~ whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the ~~directors~~Directors who

(01280574)

are not present at the time of adjournment.

~~Section 3.7~~ 3.7 VOTING. 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 ~~with the affirmative vote of~~ a majority of the Board at a meeting at which a ~~QUORUM~~quorum is present. Notwithstanding the number of ~~JRMC Representative(s)~~Class B Directors then- currently serving on the Board, the vote of the ~~JRMC Representative(s)~~Class B Directors shall be weighted to equal fifty-one percent (51%) of the votes taken by the Board (the ~~"JRMC Percentage"~~) and the vote of the ~~Physician Representatives~~Class A Directors shall be weighted to equal forty-nine percent (49%) of the votes taken by the Board (the ~~"Physician Percentage"~~). In the event that the ~~Sole Member~~ is represented by more than ~~One director~~one Director, the ~~JRMC~~JRMC Percentage shall be voted as a block representing the affirmative vote of all of the ~~JRMC Representatives~~Class B Directors.

~~Section 3.8~~ 3.8 ACTIONS REQUIRING SPECIAL APPROVAL. ~~(a)~~

(a) Notwithstanding the foregoing, ~~none of and the provisions of Section 2.2,~~ the following actions shall not be taken unless approved by majority vote of ~~the Physician Representatives and the Sole Member of the Corporation;~~ both the Class A Directors and the Class B Directors, in each case voting as a class;

(i) Amending the Corporation's Bylaws as they relate to the rights of the ~~Physicians Representatives~~Class A Directors and/or the Group Practice Director, including the amendment or revocation of any of the duties delegated to the Group Practice Director in Article V of these Bylaws;

~~or~~

(ii) Terminating the employment with the Corporation of a physician without cause; or

(iii) The hiring of any new physician or the advancement of a physician to Senior Physician, consistent with contractual obligations.

(b) Notwithstanding the foregoing and the provisions of Section 2.2, the following actions shall be subject to approval by the [New Parent's Member]:

(i) Initiating litigation or settling litigation in which the Corporation is the plaintiff or defendant;

(ii) Adoption or modification of any personnel or human resources policies; and

(iii) The taking of any action which would endanger the non-profit status of the Corporation or the tax exempt status of the Member, [New Parent] or [New Parent's Member].

Section 3.9 NOTICES. Written notice of the date, time and place of each meeting of the Board of Directors shall be given to all ~~directors~~Directors at least five (5) days in

advance of the date thereof. Such notice shall set forth the date, time and place of the meeting. For special meetings, the notice shall also state the general nature of the business to be transacted. Such notice shall be given at the direction of the Secretary or another designated officer of the Corporation and shall be given to each ~~director~~ Director, either personally or by sending a copy thereof by first class or express mail, postage prepaid, or courier service, charges prepaid, or by facsimile to each ~~director~~ Director's address (or facsimile number) appearing on the records of the Corporation, or by such other form of notice as permitted by law. If the notice is sent by mail or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States ~~mail~~ mail or with a courier service. If the notice is sent by facsimile, it shall be deemed to have been given to the person entitled thereto when sent. Notice of an adjourned meeting shall be deemed to have been announced at the time of adjournment.

Section ~~3.10~~ 3.10 WAIVER OF NOTICE. Whenever any written notice whatsoever is required to be given under the provisions of applicable law, the Articles of Incorporation of the Corporation, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, shall be deemed equivalent to the giving of such notice. In the case of a special meeting, such waiver of notice shall specify the general nature of the business to be transacted. Attendance of a

~~(01269574)~~ ~~Director~~ Director at a meeting shall constitute a waiver of notice of the meeting -unless the ~~director~~ Director attends 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.

Section ~~3.11~~ 3.11 INTERESTED MEMBERS, DIRECTORS OR OFFICERS.

(aa) No contract or[%] transaction between the Corporation and one or ~~more~~ more of its ~~directors~~ Directors or officers or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of the Corporation's ~~directors~~ Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because a ~~director~~ Director or officer of the Corporation is present at or participates in the meeting of the ~~Board~~ Board of Directors which authorizes the ~~contract~~ contract or transaction, or solely because the votes of such ~~director~~ Director or officer are counted for such purpose, if

(i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are ~~known~~ known to the Board of Directors and the Board in good faith authorizes the contract or transaction by the affirmative ~~votes~~ vote of a majority of the disinterested ~~directors~~ Directors even though the disinterested ~~directors~~ Directors are less than a quorum;

~~(ii)~~ (ii) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the ~~directors~~ members of the Board entitled to vote thereon and the contract or transaction is specifically approved in good faith by ~~such directors~~ the members of the Board; or

~~(iii)~~ (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors or the ~~Sole~~ Member.

~~(b)~~ (b) Common or interested ~~directors~~ Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes a contract or transaction specified in subsection (a) of this ~~section~~ Section. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting and the effect on the quorum.

~~(c)~~ (c) Actual and potential conflicts of interest involving one or more ~~directors~~ Directors or officers ~~shall~~ shall be dealt with in the manner described in Section 3.17 of these ~~bylaws~~ Bylaws.

Section ~~3.12 STANDARD~~ 3.12 STANDARD OF CARE AND FIDUCIARY DUTY. ~~Each~~ Each Director shall stand in a fiduciary relation to the Corporation and shall perform his or her ~~duties~~ duties as a ~~director~~ Director, including his or her duties as a member of any committee of the Board upon which the ~~director~~ Director may serve, in good faith, in a manner the ~~director~~ Director reasonably believes to be in the best interests of the 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

~~(c)~~ (c) ⁽⁰¹²⁶⁹⁵⁷⁴³⁾ ~~6~~ duties, each ~~director~~ 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)~~ (a) one or ~~more~~ more officers or employees of the Corporation whom the ~~director~~ Director reasonably believes to be reliable and competent in the matters presented;

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

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

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

Section ~~3.13~~ 3.13 FACTORS WHICH MAY BE CONSIDERED BY DIRECTORS. In discharging the duties of ~~†13_eir~~their respective positions, the Board of Directors, committees of the Board and individual ~~directors~~Directors may, in considering the best interests of the Corporation, consider the following to the extent they deem appropriate:

~~(a)~~ (a) the effects of any action upon any or all groups affected by such action, including employees, suppliers, customers and creditors of the Corporation, and upon communities in which offices or other establishments of the Corporation are located;

~~including employees, suppliers, customers and creditors of the Corporation, and upon communities in which offices or other establishments of the Corporation are located;~~

~~(b)~~ (b) the short-term and long-term interests of the Corporation, ~~including the benefits that may accrue to the Corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the Corporation;~~ and

~~(c)~~ (c) the resources, intent and conduct (past, stated and potential) of any person ~~seeking to acquire control of the Corporation;~~ and

~~(d)~~ (d) all other pertinent factors.

The Board of Directors, committees and ~~directors~~Directors are not required, in considering the best ~~interest~~interests of the Corporation or the effects of any action, to regard any corporate interest or the interests of any particular group affected by such action as a dominant or controlling interest or factor. The consideration of interests and factors in the manner described in this ~~section~~Section shall not constitute a violation of Section ~~3.12~~ 3.12 hereof. ~~The fiduciary duty of directors shall not be deemed to require them to act as the Board of Directors, a committee or an individual director solely because of the effect such action might have or an acquisition or potential or proposed acquisition of control of the Corporation or the consideration that might be offered or paid to the Sole Member in such an acquisition.~~

~~hereof.~~ hereof. Absent breach of fiduciary duty, lack of good faith or self-dealing, any act as the Board of Directors, a committee of the Board or an individual ~~director~~Director shall be presumed to be in the best interests of the Corporation. ~~In assessing whether the standard set forth in Section 3.12 hereof has been satisfied, there shall not be any greater obligation to justify, or higher burden of proof with respect to, any act as the Board, committee or an individual director relating to or affecting an acquisition or potential or proposed acquisition of control of the Corporation than is applied to any other act as a Board, committee or individual director. Notwithstanding the preceding provisions of this Section 3.13, any act as the Board, committee or an individual director relating to or affecting an acquisition or potential or proposed acquisition of control to which a majority of the disinterested directors shall have assented shall be presumed to satisfy the standard set forth in Section 3.12, unless it is proven by clear and convincing evidence that the disinterested directors did not assent to such act in good faith after reasonable investigation.~~

~~The term disinterested director means, solely for the purpose of this section,~~

- ~~(a) a director of the Corporation other than
 - ~~(i) a director who has a direct or indirect financial or other interest in the person acquiring or seeking to acquire control of the Corporation or who is an affiliate or associate of, or was nominated or designated as a director by, a person acquiring or seeking to acquire control of the Corporation; or~~
 - ~~(ii) depending upon the specific facts surrounding the director and the act under consideration, an officer or employee or former officer or employee of the Corporation.~~~~

~~A person shall not be deemed to be other than a disinterested director solely by reason of any or all of the following:~~

- ~~(a) any interest the director may have in retaining the status or position of a director;~~
- ~~(b) the former business or employment relationship of the director with the Corporation; or~~
- ~~(c) receiving or having the right to receive retirement or deferred compensation from the Corporation due to service as an employee.~~

Section ~~3.14~~3.14 RULES AND REGULATIONS. The Board of Directors may adopt rules and regulations not inconsistent with these Bylaws for the administration and conduct of the affairs of the Corporation and may alter, amend or repeal any such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the ~~directors~~Directors present and entitled to vote at a meeting of the ~~directors~~Directors where a quorum is present.

Section ~~3.15~~3.15 REMOVAL OF DIRECTORS.

8

(01269574)

- ~~(a) By the Sole Member.~~ (a) By the Class B Director. Any ~~individual director~~Class B Director may be removed from office without assigning any cause by the ~~Sole Member, except as set forth in Section 2.2(a);~~
- ~~(b) By the Senior Physicians. A Senior Physician~~Member. Any Class A Director may be removed from office without assigning any cause by a majority vote of the Senior Physicians of the Corporation.
- ~~(c) By the Board. The Board of Directors, by a majority vote of all of the JRMC Representatives, may declare vacant the office of a JRMC Representative, and by a majority vote of all of the Physician Representatives, may declare vacant the office of a Physician Representative, who is declared of unsound mind by an order of the court or is convicted of a felony or other cause. "Other cause" shall mean any~~

~~action or inaction which in the sole discretion of the Board materially and adversely affects or may affect the Corporation.~~

Section ~~3.16~~3.16 CONSENTS. Any action which may be taken at a meeting of the ~~directors~~Directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the ~~directors~~Directors in office and entitled to vote and shall be filed with the Secretary of the Corporation.

Section ~~3.17~~3.17 CONFLICTS OF INTEREST.

~~(a) Identification. An actual or potential conflict of interest arises with respect to a director when any of the following circumstances exists or is threatened:~~
(a) Disclosure of Interest. Any Director, officer, or committee member having a Material Interest (as defined below) in a contract or other transaction presented to the Board of Directors or any committee thereof for authorization, approval or ratification, shall make a prompt, full and frank disclosure of such person's interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about his/her relationship or interest and about the contract or transaction. The Board or committee to which such disclosure is made shall thereupon determine, by majority vote of those present, excluding the interested person, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist or can reasonably be construed to exist, such person shall not vote on nor participate in the discussions and deliberations with respect to such contract or transaction, other than to present factual information or to respond to questions. Such person may be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting or participation. For purposes of this Article, a person shall be deemed to have a "Material Interest" in a contract or other transaction if such person, or a member of his/her other immediate family, is a party, or one of the parties, contracting or dealing with the Corporation, or is a director, officer, or key employee of, or has a significant financial interest in the entity contracting or dealing with the Corporation.

~~(i) a proposed transaction under consideration by the Board, or any ongoing business relationship, involves a Contracting Entity or Competing Entity with respect to which there is an Interested Director; and~~

~~(ii) an opportunity within the scope of activities of the Corporation could be exploited~~

~~(b) Procedure for Determining Whether a Conflict Exists:~~

~~(i) Disclosure Statements. Each Director shall complete an annual Conflict of Interest Disclosure Statement, describing any connections of the Director~~

or the Director's Family Member with a Competing Entity or a Contracting Entity. It is his or her duty to make a full, frank and fair disclosure of the circumstances giving rise to an actual or potential conflict of interest. Each Director is also obligated to file a supplementary Disclosure Statement if, during the year, there is any change in circumstances that alters or makes incomplete the information provided in the original Disclosure Statement. It shall be the responsibility of the President to review each of the Disclosure Statements and bring any perceived conflicts of interest to the attention of the Board of Directors.

- (ii) ~~Additional Disclosure.~~ If, during the course of a meeting of the Board of Directors, a Director is aware that he or she has or may have an actual or a potential conflict of interest in a matter under discussion, the Director shall immediately disclose the material facts about his or her interest in the matter to the Board of Directors. If, during the course of a meeting, the President or any Director believes that another Director has or may have an actual or potential conflict of interest in a matter under discussion, such person shall immediately make such concern known to the Board of Directors.
- (iii) ~~Analysis of Conflict Issue.~~ The determination of whether there is a conflict of interest in any particular ~~CH:011111Statutes shall be made~~ by the President. In the event that the question involves the President, the Vice President or ranking officer present shall make the decision regarding whether a conflict of interest exists. The review shall be subject to the following process:
- (A) ~~Questioning of the Involved Director.~~ It is the Involved Director's duty to respond fully and frankly to any questions from the President or other Directors relating to the actual or potential conflict of interest.
- (B) ~~Exclusion of the Involved Director.~~ At the President's direction, or upon motion and majority vote of the other Directors present (excluding the Involved Director), the Involved Director shall leave the Board meeting while the question of whether a conflict exists is discussed and, if a conflict is determined to exist, the Involved Director shall leave the Board meeting while the substantive issue which is the subject of the conflict is discussed and shall not vote on said substantive matter.
- (iv) ~~Minutes.~~ The minutes shall reflect (i) the disclosure of any alleged conflict; (ii) the determination as to whether an actual or potential conflict of interest exists; (iii) whether the Involved Director was excluded from the Board's deliberations on the conflict issue and/or the substantive issue; (iv) any abstention from voting; and (v) any action to be taken.

⁽⁰¹²⁶⁹⁵⁷⁴⁾
(c) ~~Definitions.~~

10

- (i) ~~Competing Entity.~~ Any entity that offers healthcare services to the public.

- ~~(ii) Contracting Entity. Any entity engaged in the delivery of products or services (e.g., legal, accounting, management, and billing and recordkeeping services) to or under contract with the Corporation.~~
 - ~~(iii) Interested Director. A Director who, or whose spouse or other family member residing in the same home ("Family Member"), (i) is an officer, director, employee or agent of a Competing Entity or a Contracting Entity or (ii) is the actual or beneficial owner of at least 5% of the outstanding stock or other ownership interest in a Competing Entity or a Contracting Entity.~~
 - ~~(iv) Involved Director. A Director who is implicated in an actual or potential conflict of interest.~~
 - ~~(v) Protected Information. Any information about the Corporation which is acquired by a Director by virtue of being a Director, including without limitation, information concerning the provision of products or services, finances, and institutional planning.~~
- (b) Prohibited Transactions. Members of the Board of Directors shall not engage in the following transactions:
- (i) The sale, exchange or leasing of property or services between the Corporation and a member of the Board of Directors or an entity in which he or she has a Material Interest, on a basis less favorable to the Corporation than that on which such property or services are made available to the general public.
 - (ii) Furnishing of goods, services or facilities by the Corporation to a member of the Board of Directors, unless such furnishing is made on the same basis on which such goods, services or facilities are made available to the general public or to the employees of the Corporation.
 - (iii) Any transfer to or use by or for the benefit of a member of the Board of Directors of the income or assets of the Corporation, except purchase for fair market value.
- (c) Annual Disclosure Statements. The Board of Directors shall require that all prospective Directors and all members of the Board of Directors execute and submit, at the time of election or appointment, and annually thereafter, a written statement indicating any Material Interests which could give rise to conflicts of interest and any interests which are or may reasonably be construed to be Competing Interests (as defined below). While the written statement is required annually, it is a continuing responsibility of appointees and Directors to provide prompt notice to the Corporation of any changes. Notice of this requirement and other provisions of this Section shall be given to prospective candidates for election or appointment.

(d) Competing Interests. No person shall be eligible to serve as a Director (or to continue to so serve) if he or she has or acquires a “Competing Interest,” as defined below:

(i) “Competing Interest” shall be defined as including any of the following situations:

A person (or his or her immediate family member) who, directly or indirectly, owns or holds an investment or ownership interest (other than an ownership or investment interest in less than five percent (5%) of the common stock of a publicly-traded company) in an entity identified or determined by the Corporation from time to time as a competitor;

A person (or his or her immediate family member) who holds a leadership position in an entity identified or determined by the Corporation from time to time as a competitor. Leadership position shall include, without limitation, service on the board, a board committee or a planning committee of or holding a management contract with such a competitor; or

A person who is employed by or has a compensation arrangement with a competing entity. “Immediate family member” means spouse, siblings, parents, children, stepchildren, grandchildren and their spouses.

Examples of entities deemed by the Corporation to be competing entities include, without limitation: general hospitals; specialty hospitals; freestanding surgery centers; specialty diagnostic centers; specialty treatment centers; specialty therapy centers or other entities operating or which should be operating in whole or in part under a healthcare facility license, but do not include physician offices with equipment customarily and routinely used or contained in a physician office (e.g., EKG machine used by a cardiologist).

(ii) It shall be the responsibility of prospective Directors and current Directors to promptly disclose the existence of all ownership or investment interests, leadership positions and employment or compensation arrangements, regardless of whether they fall within the above definitions. If such interest is in an entity that the Corporation has previously determined to be a competing entity, the prospective Director or current Director shall be automatically ineligible to serve or continue serving as a Director and shall be deemed to have automatically resigned his or her position or interest in a position on the Board and its committees.

(iii) If it is necessary for the Board to determine whether the entity in question is a competing entity, the Board, by majority vote of those present (excluding the interested person) shall decide whether a Competing Interest exists. If a Competing Interest exists, the interested person shall no longer be eligible for consideration as a prospective Director or, if already serving as a Director, shall not continue to serve, and shall be deemed to have automatically resigned his or her interest in a position on the Board and its committees.

~~Article IV~~ ARTICLE IV

Officers

Section ~~4.14.1~~ ENUMERATION. The officers of the Corporation shall consist of a President, Secretary and Treasurer and such other officers and assistant officers as the Board of Directors may, from time to time, designate. The members of the Board may also elect a Chairperson to preside at meetings of the Board ~~and the members~~.

Section ~~4.24.2~~ TERM OF OFFICE. Each officer shall serve for a term of one (1) year and until the officer's successor is duly elected and takes office.

Section ~~4.34.3~~ ELECTION. ~~Except as set forth in Section 4.4, all~~ All officers shall be elected prior to the beginning of the fiscal year by ~~the Board of Directors~~. [New Parent's Member].

Section ~~4A4.4~~ VACANCIES. Any vacancy occurring by death, resignation, refusal to serve, or otherwise may be filled by ~~the President or by the Directors entitled to vote, all subject to the approval of the Sole Member~~ [New Parent's Member].

Section ~~4.5~~ PRESIDENT. ~~The Group Practice Director, who shall be a physician annually elected or appointed by the Physician Representatives, shall serve as the President of the Corporation.~~ 4.5 PRESIDENT. The President shall be responsible for and have supervision over the management

~~(01269570)~~ and administration of the Corporation, subject to the control of the Board of Directors and the ~~Sole Member. Any removal of the President shall be subject to Article IV of the Bylaws.~~ Member.

~~11~~

Section ~~4.64.6~~ SECRETARY. The Secretary shall make or cause to be made minutes of all meetings of the Board of Directors. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Board of Directors, shall affix the corporate seal at the direction of the President and, generally, will perform all duties incident to the office of secretary of a corporation and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

Section ~~4.74.7~~ 4.74.7 TREASURER. The Treasurer shall supervise the financial activities of the Corporation. 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 Corporation in such depositories as shall be designated by the Board, (c) the Directors at the regular meetings of the Board or whenever they may require it, receive an account of the financial condition of the Corporation, and (d) an annual audit of the Corporation's books and records is performed by an auditor selected by ~~the Board.~~ [New Parent's Member]. In performing these functions, the Treasurer may rely on employees of the Corporation or any affiliated corporation who possess special financial training and skills and whose employment responsibilities include management of the Corporation's financial affairs. In the absence or disability of the Treasurer, the Assistant Treasurer, if any, shall perform all the duties of the Treasurer and when so acting shall have all of the powers of and be subject to all of the restrictions upon the Treasurer.

Section ~~4.84.8~~ 4.84.8 OTHER OFFICERS. Each other officer shall have such responsibilities and perform such duties as may be prescribed by the Board of Directors and as are approved by [New Parent's Member] from time to time. Each assistant officer shall carry out the responsibilities and duties of the officer which the assistant officer assists in the event such officer is unable to perform such responsibilities or duties, except that no assistant officer shall become a Director solely by virtue of being an assistant officer.

Section ~~4.94.9~~ 4.94.9 BONDS. The Board may, in its discretion, require the Treasurer and any other officer to give bond in such amount and with such surety or sureties as may be satisfactory to the Board for the faithful discharge of the duties of the office and for the restoration to the Corporation, in case of the officer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind belonging to the Corporation in the officer's possession or under the officer's control.

Section ~~4.10~~ 4.10 REMOVAL OF OFFICERS. Any officer may be removed by ~~the Sole~~ [New Parent's Member] whenever, in its judgment, the best interests of the Corporation will be served.

(91269574)

ARTICLE V

~~12Article V~~

Group Practice Director

Section 5.1 DUTIES. The Group Practice Director, who, at the date of the adoption of these Bylaws is David J. Stapor, MDM.D., shall ~~at all times~~ be a Senior Physician of the Corporation annually elected or appointed by the Senior Physicians of the Corporation, subject to approval of [New Parent], not to be unreasonably withheld, and shall act as chief administrative officer of the ~~corporation~~ Corporation, having ~~overall~~ responsibility for ~~operations of the Corporation to ensure~~ ensuring quality, cost effective care. ~~These duties~~ The Group Practice Director shall at all times while serving as such be a physician duly licensed and qualified in the Commonwealth of Pennsylvania and shall not at any time have been

excluded from participation in Medicare, Pennsylvania Medical Assistance, or other federal or state healthcare program. The duties of the Group Practice Director shall include, but not be limited to, the following:

- ~~(a)~~ (a) Develop and implement goals and objectives for the Corporation.
- (b) Chair and serve as a voting member of all committees which may be established relating to compensation and physician productivity.
- ~~(c)~~ (c) Chair and serve as a voting member of all committees which may be established relating to physician recruitment and retention, as well as the maintenance of appropriate staffing levels and, when necessary, the termination of a physician's employment.
- ~~(d)~~ (d) Maintain oversight of the professional performance of all members of the Corporation.
- ~~(e)~~ (e) Organize, supervise and coordinate clinical services of the Corporation.
- ~~(f)~~ (f) Prepare or direct the preparation of such reports and records as may be required by law, regulatory bodies, whether public or private, these Bylaws, ~~Rules and Regulations~~ or as may be reasonably required by the ~~Board~~ Corporation.
- ~~(g)~~ (g) Assist ~~the~~ Corporation in assuring that the Corporation is in compliance with the regulations of all federal, state and local governmental and regulatory bodies and all applicable accrediting agencies, ~~including but not limited to The Joint Commission~~, as well as with these Bylaws, Medical Staff Bylaws, ~~Medical Staff Rules and Regulations and credentialing and Due Process Manual~~.
- ~~(h)~~ (h) Assist in developing appropriate standards of care and policies and procedures for the operation of the Corporation.
- ~~(i)~~ (i) Assist in developing a comprehensive and effective quality assurance and utilization review ~~prog3:am~~ program for the Corporation.
- ~~(j)~~ (j) Assist with the preparation of annual reports, as well as operating and capital budgets for the Corporation.
- ~~(k)~~ (k) Assist in maintaining effective community relations by speaking at civic associations and other organizations on behalf of the Corporation and attending such community and public relations functions as may be reasonably ~~may be~~ requested by the ~~Board~~ Corporation.
- ~~(l)~~ (l) ~~Have~~ Have the authority to enter into operational contracts, with prior ~~Board~~ approval of the Board of Directors.

Section 5.2 SUCCESSOR. In the event that the Group Practice Director is no longer employed by the Corporation or withdraws or is removed by ~~the majority vote of the Physician Representatives as Group practice Director, the Physician Representatives~~Senior Physicians of the Corporation, the Senior Physicians of the Corporation shall choose his/her successor, subject to ~~the approval of the Sole Member, whose approval shall~~[New Parent], not to be unreasonably withheld.

~~Article VI~~

~~Section 6.1 Budget Approval. The Corporation and the JR_MC Representatives shall prepare an annual budget for submission to and approval by the Corporation's Board of Directors and, if approved by the Corporation's Board of Directors, for submission and approval by the JRMC Board of Directors (or its designee). The budget shall take into account the most recent reimbursement rates payable by the third party payors for services provided by the Physician employees (adjusted by known changes in such rates that are scheduled to be effective for/during the applicable fiscal year), as well as the most recent twelve (12) month productivity figures for the Corporation's Physicians.~~

~~Article VII~~

ARTICLE VI

Committees

Section ~~7.1 COMMUTEES.~~ 6.1 COMMITTEES. The Corporation shall have such standing and ad hoc committees as the Board may deem advisable in the administration and conduct of the affairs of the Corporation. Such committees of the Board shall meet as necessary to accomplish their goals. The Board is authorized in its discretion to approve reimbursement for travel and actual expenses necessarily incurred by members of committees in attending committee meetings and in performing other official duties as such. ~~Except as otherwise provided in these Bylaws or in the resolution creating the applicable committee, committee~~ Committee chairpersons and members shall be appointed annually by the ~~President~~Board of Directors and may be reappointed to a committee for an unlimited number of terms. With the exception of the Executive Committee, if any, persons who are not Directors are eligible to serve as committee members. ~~Any person authorized by these Bylaws to appoint the chairman and/or members of any committee may appoint himself or herself as chairman and/or member.~~ The chairman of each committee shall determine the date and place of all committee meetings. Each committee may adopt its own rules of procedure not inconsistent with these Bylaws.

(91269574)

~~14~~Section ~~7.2~~ 6.2 COMPENSATION COMMITTEE. There shall be a Compensation Committee composed of ~~the at least one (1) Class B Director and~~ four (4) Senior Physicians who must be full time employees of the Corporation to be eligible to

remain as ~~member~~members of the Committee~~;~~. The Group Practice Director shall be the ~~Chairman~~chairman of the Committee. The Committee will set the base compensation amounts (i.e. the bi-weekly draw amounts) for each of the Senior Physicians and the other employed physicians, if any, at the beginning of each fiscal year as well as the wRVU requirements, if any, that are specific to such physicians. The Compensation Committee shall determine the amount of additional compensation, and/or incentive compensation, if any, to be paid to each physician employee after a year-end reconciliation is performed. The Board of Directors shall review the procedures/formula adopted by the Compensation Committee for determining base compensation (draws), additional compensation, and/or incentive compensation to ensure compliance with regulatory requirements.

Section ~~7.3~~6.3 LIMITATION ON POWER OF COMMITTEES. No such committee shall have any power or authority as to the following:

- ~~(a)~~ (a) the submission to the ~~Sole~~-Member of any action requiring approval of the ~~Sole~~-Member;
- ~~(b)~~ (b) the filling of vacancies in the Board of Directors;
- ~~(e)~~ (c) the adoption, amendment or repeal of ~~the~~these Bylaws;
- ~~(d)~~ (d) the amendment or repeal of any resolution of the Board; or
- ~~(e)~~ (e) action on matters committed by ~~the~~these Bylaws ~~Or~~or a resolution of the Board to another ~~Committee~~committee of the Board.

~~Article VIII~~

ARTICLE VII

Limitation of Personal Liability of Directors

Section 7.1

- (a) ~~Section 8.1 LIMITATION OF DIRECTORS' PERSONAL LIABILITY. A Director of the Corporation shall not be personally liable for monetary damages for any action taken unless the Director has breached or failed to perform the duties of his office under Chapter 57, Subchapter B of the NPCL as in effect at the time of the alleged action by such Director and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Such limitation on liability does not apply to the responsibility or liability of a Director pursuant to any criminal statute or for payment of taxes pursuant to any Federal, state or local law.~~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.

~~Section 8.2 PRESERVATION OF RIGHTS. Any repeal or modification of this Article by the Corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.~~

(0269574)

~~Article IX~~

Indemnification

- (b) Applicability. The provisions of this Section 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 Section or provision of these Bylaws 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.

ARTICLE VIII

Indemnification

Section 8.1

- (a) ~~Section 9.1 MANDATORY INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation shall indemnify, to the fullest extent now or hereafter permitted by law (including but not limited to the indemnification provided by Chapter 57, Subchapter D of the NPCL), each Director and/or officer (including each former Director or officer) of the Corporation who was or is~~ Right to Indemnification - 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 or officer is or was an authorized 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 domestic or foreign corporation for profit or not for profit 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, 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~~ at the Corporation's request. The term "representative," as used in this Article VIII, shall mean any Director, officer, 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 VIII.

(b) Right to Indemnification - Third Party Actions. Without limiting the generality of Section 8.1(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 8.1(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 8.1(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) Section. 9.2 ~~MANDATORY ADVANCEMENT OF EXPENSES TO DIRECTORS AND OFFICERS.~~ The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 9.1 hereof in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 9.1 hereof 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 9.4 hereof.

~~Section. 9.3 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 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 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. The Corporation may, as determined by the Board of Directors from time to time, pay expenses~~

~~(01269579) incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 9.3 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 9.4 hereof.~~ Advance of Expenses. Expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VIII 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 VIII or otherwise.

~~Section 9.4 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 NPCL or any successor statute as in effect at the time of such alleged action or failure to take action.~~

~~Section 9.5 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 indemnification and advancement of expenses provided by this Article 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, vote of disinterested Directors, 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 Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article by the Sole Member 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.~~

~~Section 9.6 DEFINITION OF AUTHORIZED REPRESENTATIVE. For the purposes of this Article, the term "authorized representative" shall mean, a Director, officer or employee of the Corporation or of any corporation controlled by the Corporation, or a trustee, custodian, administrator, committee member 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 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 agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors.~~

~~(e) Section 9.7 PROCEDURE FOR EFFECTING INDEMNIFICATION. Procedures for Effecting Indemnification. Unless ordered by a court, any indemnification under this Article VIII or the NPCL shall be made only following under Section 8.1(a), Section 8.1(b) or Section 8.1(c) shall be made by the Corporation only as authorized in the specific case upon a determination that the indemnification of the representative is proper in the circumstances because the person seeking indemnification 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 vote of a quorum consisting of Directors who were not party to the action or proceedings; (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) 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.~~

~~17(b) — if such 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; or~~

~~(e) — by Sole Member.~~

- (f) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article VIII 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 and 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 VIII shall not be made in any case where 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.
- (h) Grounds for Indemnification. Indemnification pursuant to this Article VIII, 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 VIII 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 VIII shall be applicable to all actions, suits or proceedings within the scope of Section 8.1(a), Section 8.1(b) or Section 8.1(c) of these Bylaws, 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 VIII.
- (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 VIII or otherwise.

- (k) Status Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VIII 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 VIII, 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 VIII 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 to Directors, officers and employees of the Corporation pursuant to Section 8.1(k).

~~Article X~~ ARTICLE IX

Restrictions Regarding the Operations of the Corporation; Administration of ~~funds~~ Funds

Section ~~10.19.1~~ NO PRIVATE BENEFICIARIES. The Corporation shall not pay dividends or distribute any part of its income or profits to its members, Directors, or officers, except that the Corporation may pay compensation in a reasonable amount to its ~~members, Directors, or officers~~ for services rendered, and may reimburse Directors for expenses in accordance with Section 3.4 of these Bylaws.

Section ~~10.29.2~~ ANNUAL REPORT. The Treasurer ~~Shall~~shall submit annually to the Board of Directors a ~~-statement~~ containing those details required to be included under the provisions of the ~~NPCL~~Nonprofit Corporation Law, as it may be amended ~~from~~from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws.

Section ~~10.39.3~~ BOOKS AND RECORDS. The Corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of the ~~Sole Member,~~ Board of Directors and committees, and records of actions taken by the Member relating to the Corporation. The Corporation will keep at its registered office the original or a copy of its Bylaws including amendments to date, certified by the Secretary of the Corporation and an original or duplicate membership register, giving the names of the members and showing their respective addresses, and the class and other details of membership. ~~Every member~~ The Member, [New Parent] and [New Parent's Member] shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account and records of the proceedings of the ~~members and~~ Directors, and records of actions taken by the Member relating to the Corporation, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as ~~a member:the Member, [New Parent] or [New Parent's Member].~~ Where an attorney or other agent is the person who seeks the right of inspection, the demand under oath shall be accompanied by a power of attorney or another writing authorizing the attorney or other agent to act on behalf of ~~the member~~ such person.

ARTICLE X

Dissolution

Upon the dissolution or liquidation of the Corporation, after paying or making provision for 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 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 [New Parent], or its successor, provided that [New Parent] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution of the Corporation, both the Member and [New Parent], 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 [New Parent's Member], or its successor, provided that [New Parent's Member] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution of the Corporation, each of the Member, [New Parent] and [New Parent's Member], 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 (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 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.

~~Article~~ ARTICLE XI

Bylaws Amendments

~~Section 11.1 AUTHORITY. Unless approval of the Sole Member is required by the NPCL, these~~ These Bylaws may ~~only~~ be altered, amended ~~and/or repealed~~, by a vote of a majority of the Board of Directors voting as set forth in Section 3.7 or the Sole Member, ~~except as provided in Section 2.2 of these Bylaws or repealed,~~ or new Bylaws may be adopted ~~only~~ by [New Parent's Member], subject to Section 2.2(c)(ii), Section 3.2, Section 3.3, Section 3.8(a) and Article V hereof.

~~Section 11.2 NOTICE. The Directors of the Corporation shall be given at least ten (10) days' prior written notice of any Board meeting at which proposed changes to the Bylaws of the~~

~~(01264674)~~

~~18 Corporation are to be considered or acted upon. Such written notice shall include a copy of the proposed amendment or a summary of the changes to be effected thereby.~~

(01269574)

19

32

SECRETARY'S CERTIFICATE

THIS IS TO CERTIFY that the foregoing Bylaws of Steel Valley Orthopaedics and Sports Medicine (the "Corporation") have been duly adopted by the ~~directors~~Directors of the Corporation and by Jefferson Regional Medical Center, as the Corporation's ~~Sole~~ Member, as of ~~October 20,~~ _____, 2013.
~~2011.~~

IN WITNESS WHEREOF, the undersigned, duly elected and acting Secretary of the Corporation, has signed this Certificate and affixed the seal of the Corporation hereon ~~as of the date written above:~~ this _____ day of _____, 2013.

Secretary of the Corporation

(01269574)

20

TAB 20

DRAFT

1/22/2013

AMENDED AND RESTATED BYLAWS

~~O-F~~

~~JEFFERSON HILLS SURGICAL SPECIALISTS~~

~~A Pennsylvania Nonprofit Corporation~~

~~Adopted July 1, 2008 Revised July 1, 2009.~~

BYLAWS

OF

JEFFERSON HILLS SURGICAL SPECIALISTS

A Pennsylvania Nonprofit Corporation

Adopted
, 2013

AMENDED AND RESTATED BYLAWS
OF
JEFFERSON HILLS SURGICAL SPECIALISTS

A Pennsylvania Nonprofit Corporation

ARTICLE II

Introductory

Section ~~1.1~~-1.1 **NAME**. The name of the Corporation is Jefferson Hills Surgical Specialists.

Section ~~1.2~~ — ~~STATEMENT OF PURPOSES. AS provided in its Articles of Incorporation,~~ **1.2 STATEMENT OF PURPOSES**. The Corporation is organized ~~for the purpose of arranging for the provision of healthcare services under the~~ Pennsylvania Nonprofit Corporation Law of 1988, as amended (the “Nonprofit Corporation Law”) for charitable, scientific and educational 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 arrange for the provision of health care services;
- (b) To operate as part of the nonprofit health care system governed by [New Parent’s Member], a Pennsylvania nonprofit corporation (“[New Parent’s Member]”), and support a health care provider network comprised of the Member and those corporations and other entities over which the Member exercises governance control (the “subsidiaries”);
- (c) To exercise such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law, as amended from time to time, or any successor legislation;
- (d) To carry out 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; and
- (e) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

Section ~~1.3~~-1.3 **OFFICES**. The principal and registered office of the Corporation shall be located at 565 Coal Valley Road, ~~P.O.~~ Box 18119, Pittsburgh, PA ~~15236-Q119~~ 15236, or at such other place as the Board of Directors may designate from time to time.

Section ~~1.4~~1.4 FISCAL YEAR. The fiscal year of the Corporation shall end ~~on June 30 of each year, or on such other date~~day as may shall be fixed ~~from time to time by resolution of the Board of Directors~~by [New Parent's Member].

Section ~~1.5~~1.5 SEAL. The corporate seal of the Corporation, if, any, shall, be a circle with the name of the Corporation and the state of incorporation around the border and the words "Corporate Seal" in the center.

Section ~~1.6~~1.6 GOVERNING- LAW:-. The Corporation shall :be governed by ;the Pennsylvania Nonprofit Corporation Law ~~of 1288,~~as it may be amended from time to time ("NPCL").

ARTICLE ~~H~~ ~~Sole Member~~II

Member

~~Section 2.1 SOLE MEMBER. Jefferson Regional Medical Center shall be the sole member of the Corporation (the "Sole Member").~~

Section 2.1. MEMBER. The Corporation shall have one (1) member, which shall be Jefferson Regional Medical Center (the "Member"). There shall be no other members or classes of membership. The President/CEO of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted by the Member to the President/CEO 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 [New Parent's Member] as set forth in these Bylaws.

~~Section 2.2 RIGHTS AND POWERS. In addition to the rights of members set forth in the NPCL, the Sole Member shall have the power to initiate and approve and ix.) reverse the following actions:~~Section 2.2 RIGHTS AND POWERS.

~~(a) — nomination, election, and removal of all officers and directors (other than those directors appointed or elected by the Senior Physicians (as defined in Section 3.2 below) of the Corporation ("Physician Representatives"), who shall be removed only for cause);~~

Reserved Powers of Member.

(i) The Member shall have the right and power to make recommendations to [New Parent], a Pennsylvania nonprofit corporation ("[New Parent]"), and [New Parent's Member] with respect to actions by [New Parent] and [New Parent's Member] on matters reserved to [New Parent] and [New Parent's Member] under Sections 2.2(b) and 2.2(c) of these Bylaws. [New Parent] and [New Parent's Member] 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

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

- ~~(b) any change in~~ (a) To determine the number of directors ~~Directors that will comprise the Board of Directors of the Corporation and its subsidiaries, except that any change with regard to the Corporation must be consistent with the requirements of Section 3.2 of these Bylaws regarding the minimum number of Physician Representatives~~ Class A Directors (as hereinafter defined), and a reduction in the number of the Physician Representative ~~Class A Director positions must be approved by the Physician Representatives~~ Class A Directors;
- ~~(e)~~
- ~~(d) All operating and capital budgets and amendments thereto, subject to the delegated rights of the Group Practice Director as set forth in Article V~~
 - b) To elect the Class B Directors (as hereinafter defined) of the Corporation and the directors of its subsidiaries; and
 - c) To remove any of the Class B Directors of the Corporation and any of the directors of its subsidiaries, and to replace such Class B Directors and directors, as applicable, for the unexpired portion of his or her term.

(b) Reserved Powers of [New Parent]:

[New Parent] shall have the right and power to make recommendations to [New Parent's Member] with respect to actions by [New Parent's Member] on the matters reserved to [New Parent's Member] under Section 2.2(c) of these Bylaws. [New Parent's Member] shall have no obligation to approve any such recommendations, and [New Parent's Member] may take actions that have not been recommended by, or that are contrary to recommendations of, [New Parent].

(c) Reserved Powers of [New Parent's Member]:

[New Parent's Member] will have plenary authority with regard to the following:

~~all fundamental change transactions and all other transactions not in the ordinary course of business;~~ (i) To elect and remove, with or without cause, all officers, including the President, of the Corporation and its subsidiaries;

~~all amendments to articles of incorporation and bylaws, except changes to Article V 3.2, 3.3 (regarding the election of Physician Representatives to fill vacancies), 3.7 (regarding the Physician Percentage) and 3.8 of these Bylaws; which must be approved by the Physician Representatives;~~

~~indebtedness (i) which individually exceed an amount established by the Sole Member from time to time or (ii) if such individual indebtedness is less than such amount, such indebtedness which, when added to the aggregate unpaid balance of all of the Sole Member's affiliated corporations' outstanding indebtedness (exclusive of mortgaged real estate) ("System"~~

~~Indebtedness"), Causes the system Indebtedness to exceed an amount established by the Sole Member from time to time;~~

~~—(g) selection of independent auditors and legal Counsel;~~

~~—(h) the entry into joint ventures or partnerships by the Corporation;~~

~~(i) the execution of any management agreement, managed care contract, third party payor contract, or any other contract or material transaction involving the Corporation or its business not in the ordinary course of business; and~~

~~—(j) all other actions or tasks as are reserved to or required of the Sole Member by virtue of any other provisions of these Bylaws or by resolutions enacted by the~~

(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 [New Parent], the Member or Board of Directors of the Corporation from time to time

~~Section 2.3 MANNER OF ACTING. The Sole Member shall act by executing and delivering to the President of the Corporation a written instrument signed by an officer or authorized agent of the Sole Member setting forth the action taken by the board of directors of the Sole Member or by the officer or board committee authorized by the board to take such action; provided however, that [New Parent's Member] will have no power to amend, revise or restate Section 3.2, Section 3.3 (regarding the election of Class A Directors to fill vacancies), Section 3.8(a), Article V or this proviso of Section 2.2(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) the Class A Directors, voting as a class, and (b) the Class B Directors, voting as a class;~~

(iii) To adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) To change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) 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 [New Parent], the Member or the Board of Directors of the Corporation before such action becomes effective; provided however, that the consent of each of the Class A Directors serving on the Board of Directors who was a party to an employment contract with the Corporation on August 13, 2012 that has not expired or been terminated in accordance with its terms, shall be required as a condition precedent to any of the actions described in this Section 2.2(c)(v) that are proposed to be taken between August 13, 2012, and the later of three (3) years thereafter (if such employment contract has not expired or been terminated in accordance with its terms) or the date when such employment contract expires or is terminated in accordance with its terms;

(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) 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) 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) 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, [New Parent's Member] 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 [New Parent's Member] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [New Parent] or other governing body or officer with respect to such action shall be necessary with respect hereto.

ARTICLE ~~IIII~~

Board of Directors

Section ~~3.1~~3.1 AUTHORITY. Subject to the rights ~~of the Sole Member~~ and powers described in Section 2.2 and any limitations set forth elsewhere in these Bylaws or the Articles of Incorporation of the Corporation, the affairs of the Corporation shall be under the general direction of a

~~-2-~~

Board of Directors which shall administer, manage, preserve and protect the property of the Corporation. ~~Directors need not be members, provided, however, that day-to-day operations in the ordinary course of business shall be under the management and control of the Senior Physicians~~ of the Corporation.

Section ~~3.2~~3.2 ELECTION, NUMBER AND TERM. The Board of Directors of the Corporation shall consist of those ~~Physician Representatives~~ physician representative(s) employed by the Corporation and ~~elected~~ invited to become a member of the Board of Directors by appointment or election by the Senior Physicians (as defined below) of the Corporation (~~except as provided in Section 3.2(a)~~ herein the "Class A Director(s)"), and such other ~~directors ("JPMC Representatives");~~ Director(s) as may be designated from time to time by the ~~Sole Member.~~ " (herein the "Class B Director(s)"). "Senior Physician" shall ~~mean the original Senior Physicians of the Corporation (Charles W. Cline, M.D., Steven A. Esser, M.D., Arnold E. Fingeret, M.D., Mark P. Gannon, M.D., and Peter K. Kummant, M.D.) so long as they remain physician employees of the Corporation, and subsequently those physician employees of the Corporation designated as Senior Physicians by a majority of the physician employees of Senior Physicians of the Corporation, subject to approval by the Sole Member, who are at all times physicians duly licensed and qualified in the Commonwealth of Pennsylvania and shall not at any time have been excluded from participation in Medicare, Pennsylvania Medical Assistance, or other federal or state healthcare program programs. The number of Physician Representatives~~ Class A Directors serving on the Board of Directors shall at all times be ~~not~~ no less than 25% of the total number of ~~directors.~~ Directors. The ~~Physician Representatives~~ Class A Directors may continue in office only so long as they remain: ~~employed as~~ Senior Physicians of the Corporation. The term of the ~~JPMC Representatives, including any non-voting ex-officio directors,~~ Class B Directors shall be determined by the ~~Sole Member.~~ Notwithstanding the foregoing:

- (a) ~~(a)~~ — At any time or "during any period of time that a Senior Physician of the Corporation has any position or relationship With with the Sol Member—, whether as a trustee, director, agent or employee of the Sole

~~member~~Member other than or in addition to his ~~or~~ /her membership on the ~~Sole~~ Member's medical staff with clinical privileges to admit patients, such Senior Physician shall, during such period of ~~time~~time, neither be eligible to vote on the election of ~~physician Representative~~Class A Directors nor to serve, ~~or~~ continue to serve, ~~a Physician Representative~~as a Class A Director.

- (b) ~~(b)~~ ~~If~~, whether because of death, resignation or any other reason, the number of ~~Physician Representatives of the Board of~~Class A Directors ~~silent~~(should decline to less than 25% of the total number of ~~directors~~Directors, then the Board of Directors ~~May~~may take no further action until the number ~~Physician Representatives of~~Class A Directors is restored to at least 25% of the total number of ~~directors~~Directors. Notwithstanding the foregoing, ~~the Board of Directors~~[New Parent's Member] may take, or facilitate the taking by others of, appropriate action to restore the number of ~~Physician Representatives~~Class A Directors to at ~~Least~~least 25% of the ~~'~~ total number of ~~directors~~Directors, ~~as~~, for example, by convening the Senior Physicians to elect ~~one of their number as a~~one of their number as a ~~Physician Representative~~Class A Director to fill a vacancy, or by taking proper action to reduce ~~in~~ the number of ~~JRMC Representatives of the Board~~Class B Directors.
- (c) Neither the ~~Sole~~ Member nor the Senior Physicians may ~~elect~~ or appoint ex officio nonvoting ~~directors~~Directors. However, the ~~JRMC Representatives~~Class B Directors and the ~~Physician Representatives~~Class A Directors may invite guests to attend ~~meeting~~meetings of the Board of Directors.

Section ~~3.33.3~~3.33.3 VACANCIES. ~~if~~If a vacancy occurs on the Board by death, resignation, refusal to serve, increase in the number of Directors or otherwise, the ~~Sole~~ Member shall elect the successor or new ~~director~~Class B Director if the vacancy is that of a ~~AMC Representative~~Class B Director, and the Senior Physicians of the Corporation, shall elect a Senior Physician as the successor or new ~~director~~Class A Director if ~~3~~ the vacancy is that of a ~~Physician Representative~~Class A Director. Each successor ~~JRMC Representative~~Class B Director so elected shall serve for the unexpired portion of the term of the Director being replaced, and until the Director's successor is elected and qualified or until such Director's earlier death, resignation or removal. In the case of the election of a ~~JRMC Representative~~Class B Director to fill a newly created ~~director~~Director position, such Director's term shall be determined by the ~~Sole~~ Member.

Section ~~3.43.4~~3.43.4 COMPENSATION. No compensation shall be paid to any Director for services ~~as a Director but~~, at the discretion of the Board, a Director may be reimbursed for travel and actual expenses necessarily incurred in attending ~~in~~meeting meetings and performing other duties on behalf of the Corporation. A Director ~~May~~may be a salaried officer of the Corporation.

Section ~~3.5~~ 3.5 MEETINGS. The Board shall meet at least ~~twice per year, (biannually)~~ bi-annually at a date and time established by the Board. The first meeting of the fiscal year or such other time as the Board may designate from time to time by resolution, shall be the annual meeting of the Board. Special meetings shall be called by the Secretary upon the order of the President or at the written request of the ~~Sole Member~~ or ~~member~~ a number of Directors constituting a quorum of the Directors then in office and entitled to vote. All ~~the~~ meetings of the Board of Directors ~~Shall~~ shall be held at the registered office of the Corporation unless otherwise designated in the notice.

Section ~~3.6~~ 3.6 QUORUM. At all meetings of the Board of Directors, the presence of ~~a JPMC Representative and at least two of the Physician Representatives~~ at least one (1) Class B Director and at least one (1) Class A Director in office, and entitled to vote shall constitute a quorum. Directors shall be deemed as present at a meeting if a telephone or similar communication ~~Equipment~~ equipment is used, by means of which all persons participating in the meeting can hear each other at the same time. The act of a majority of the Directors entitled to vote at a meeting at which a quorum is present ~~and voting as set forth in Section 3.7 below~~ shall be the act of the Board, ~~except that the Board May not revoke the duties delegated to the Group Practice Directors under Article V without the approval of the Physician Representatives voting as set forth in Section 3.7 below.~~ A majority of the Directors present and entitled to vote ~~and voting as set forth in Section 3.7 below~~, whether or not a quorum exists; ~~May~~ may adjourn any meeting of the ~~Board~~ Board to another time and place. Notice of any such adjourned meeting shall be given to the Directors who are not present at the time of adjournment.

Section ~~3.7~~ 3.7 VOTING. 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 with the affirmative vote of a majority of the Board at a meeting at which a quorum is present. Notwithstanding the number of ~~JPMC Representative(s)~~ Class B Directors then-currently serving on the Board, the vote of the ~~JPMC Representative~~ Class B Directors shall be weighted to equal fifty-~~One~~ one percent (51%) of the votes taken by the Board (the "JPMC Percentage") and the vote of the ~~Physician Representatives~~ Class A Directors shall be weighted to equal forty ~~nine~~ nine percent (49%) of the votes taken by the Board (the ~~physician~~ Physician Percentage"). In the event that the ~~Sole Member~~ Member is represented by more than one (1) Director, the JPMC Percentage ~~shall~~ shall be voted as a block representing the affirmative vote of all of the ~~JPMC Representatives~~ Class B Directors.

Section 3.8 ACTIONS REQUIRING SPECIAL APPROVAL.

- (a) ~~Section 3.8 ACTIONS REQUIRING SPECIAL APPROVAL.~~ Notwithstanding the foregoing, ~~none of~~ and the provisions of Section 2.2, the following actions shall not be taken unless approved by majority vote of ~~the Physician Representatives and the Sole Member of the Corporation~~ both the Class A Directors and the Class B Directors, in each case voting as a class;

~~(a)~~ — Amending the Corporation's Bylaws as they relate to the rights of the ~~Physicians Representatives~~ Class A Directors and/or the Group Practice Director; ~~or, including the amendment or revocation of any of the duties delegated to the Group Practice Director in Article V of these Bylaws;~~

(i) ~~(b)~~ — Terminating the employment with the Corporation of a physician without cause; or

(ii) ~~(e)~~ — The hiring of any new physician or the advancement of a physician to Senior Physician, consistent with contractual obligations.

(b) Notwithstanding the foregoing and the provisions of Section 2.2, the following actions shall be subject to approval by [New Parent's Member]:

(i) Initiating litigation or settling litigation in which the Corporation is the plaintiff or defendant;

(ii) Adoption or modification of any personnel or human resources policies; and

(iii) The taking of any action which would endanger the non-profit status of the Corporation or the tax exempt status of the Member, [New Parent] or [New Parent's Member].

Section 3.9 NOTICES. Written notice of the date, time and place of each meeting of the Board of Directors ~~shall~~shall be given to all Directors' at least five (5) days in advance of the date thereof. Such notice shall set forth the date, time and place of the meeting. For special meetings, the notice shall also state the general nature of the business to be transacted. Such notice shall be given at the- direction of the Secretary or another designated officer of the Corporation and shall be given to each Director, either personally or by sending a copy thereof by first class or express mail, postage prepaid, or ~~earlier~~courier service, charges prepaid, or by facsimile ~~to each Director's~~ address' (or facsimile number) appearing on the records of the Corporation, or by such other form of notice as permitted by law. If the notice is sent by mail 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 courier service. If the notice is sent by facsimile, it ~~shall~~shall be deemed to ~~have~~have been given to the person entitled thereto when sent. Notice ~~of~~of an adjourned meeting shall be deemed to have been announced at the time of adjournment.

Section ~~3.10~~3.10 WAIVER OF NOTICE. Whenever any written notice whatsoever is required to be given under the provisions of applicable law, the Articles of Incorporation of the Corporation, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, ~~Whether~~whether before or -after the time stated in such ~~waiver,~~ shall be deemed equivalent to the giving of such notice. In the case of a

special meeting, such waiver ~~Of of~~ notice ~~Shall~~shall specify the general -nature- of the business to be transacted. Attendance of a Director ~~or at~~ a meeting ~~Shall~~shall constitute a waiver of notice of the ~~Meeting~~meeting unless the Director attends for the express purpose of objecting, at the beginning of the meeting, to the transaction ~~Of of~~ any business because the meeting was not lawfully called or convened.

Section ~~3.11~~3.11 INTERESTED MEMBERS, DIRECTORS OR OFFICERS.

(~~a~~) No contract or transaction between the Corporation and one or more of its Directors or officers or between the Corporation and any -other corporation, partnership, association, or other organization in which one or more of the Corporation's Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because a Director or officer of the Corporation is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, or solely because the votes of such Director or officer are counted for such purpose, if

(i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board ~~Of of~~ Directors and the Board in good faith authorizes the contract or transaction by the affirmative ~~votes~~vote of a majority of the disinterested ~~directors~~Directors even though the disinterested ~~directors~~Directors are less than a quorum;

~~(ii)~~ (ii) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the members of the Board entitled to vote thereon and the contract or transaction is specifically approved in good faith by the members of the Board; or

~~(iii)~~ (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors or the Member.

~~authorized, approved or ratified by the Board of Directors or the Sole Member.~~

(~~b~~) Common or interested ~~directors~~Directors may be counted in determining the presence of ~~common~~ a quorum at a meeting of the Board which authorizes a contract or transaction specified in subsection (a) of this ~~section~~Section. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting and the ~~Effect~~effect on the quorum.

(~~c~~) Actual and potential conflicts of interest involving one or more Directors or officers shall be dealt with in the manner described in Section 3.17 of these ~~bylaws~~Bylaws.

Section ~~3.12~~3.12 STANDARD OF CARE AND FIDUCIARY DUTY. Each Director shall stand in a fiduciary relation to the 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 the 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 the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- ~~(b) Counsel~~ (b) counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the ~~professional~~ professional or expert ~~committee~~ competence of such persons; and
- ~~(e)~~ (c) a committee of the Board of the Corporation upon which the Director does not serve, as to ~~Matters with in~~ 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 or her reliance to be unwarranted.

Section ~~3.13~~ 3.13 **FACTORS WHICH MAY BE CONSIDERED BY DIRECTORS.** In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of the Corporation, consider the following to the extent they deem appropriate :

- ~~(a)~~ (a) the effects of any action upon any or all groups affected by such action, including ~~employee~~ employees, suppliers, customers and creditors of the Corporation, and upon communities in which offices or other establishments of the Corporation are located;
- (a) ~~(b)~~ (b) the short-term and long-term interests of the Corporation, ~~including the benefits that may accrue to the Corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the Corporation; and~~
- ~~(e)~~ (e) ~~the resources, intent and conduct (past, stated and potential) of any person seeking to acquire control of the Corporation; and~~
- ~~(d)~~ (c) all other pertinent factors.

The Board of Directors, ~~Committees~~ committees and Directors are not required, in ~~Considering~~ considering the best ~~interest~~ interests of the Corporation or the effects of any action, to regard any corporate interest or the interests of any particular group affected by such action as a dominant or controlling interest or factor. The consideration of interests and factors in the manner described in this ~~section~~ Section shall not constitute a violation of ~~section 3.12 hereof. The fiduciary duty of Directors shall not be deemed because of the effect~~

~~such action might have or an acquisition or an individual or proposed acquisition of control of the corporation or the consideration that might be offered or paid to the Sole Member in such an acquisition. Section 3.12 hereof. Absent breach of fiduciary duty, lack of good faith or self-dealing, any act as the Board of Directors, a committee of the Board or an individual Director shall be presumed to be in the best interests of the corporation. In assessing whether the standard set forth in Section 3.12 hereof has been satisfied, there shall not be any greater obligation to justify, or higher burden of proof with respect to any act as the Board, committee or an individual Director relating to or affecting an acquisition or potential or proposed or proposed of control of the Corporation the is applied to~~

~~any other act as a Board, committee individual Director. Notwithstanding the preceding provisions of this Section 3.13, any act as the Board, committee or an individual Director relating~~

~~to or affecting an acquisition or potential Director acquisition of control to which a majority of the disinterested Directors shall, have assented shall be presumed to satisfy the standard set forth in Section 3.12 unless it is proven by clear and convincing evidence that the disinterested Directors did not assent to such act in good faith after reasonable investigation.~~

~~The term disinterested Director means, solely for the purpose of this section,~~

~~(a) a Director of the Corporation other than~~

~~(i) a Director who has a direct or indirect financial or other interest in the person acquiring or seeking to acquire control of the Corporation or who is an affiliate or associate of, or was nominated or designated as a Director by, a person acquiring or seeking to acquire control of the~~

~~7~~

~~Corporation; or~~

~~(ii) depending upon the specific facts surrounding, the Director and the act under consideration, an officer or employee or former officer or employee of the Corporation.~~

~~A person shall not be deemed to be other than a disinterested Director solely by reason of any or all of the following:~~

~~(a) any interest the Director may have in retaining the status or position of a Director;~~

~~(b) the former business or employment relationship of the Director with the Corporation; or~~

~~(c) receiving or having the right to receive retirement or deferred compensation from the Corporation due to service as an employee. Section~~

~~3.14 Corporation. Section 3.14 RULES AND REGULATIONS. The Board of Directors may adopt rules and regulations not inconsistent with these Bylaws for the administration and conduct of the affairs of the Corporation and may alter, amend or repeal any. Such such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the Directors present and entitled to vote at a meeting of the Directors where a quorum is present.~~

Section ~~3.15~~3.15 REMOVAL OF DIRECTORS.

- (a) ~~By the Sole Member. Any individual~~ Any Class B Director may be removed ~~front~~from office without assigning any cause by the ~~Sole Member, except as set forth in Section 2.2(a)~~Member. Any Class A Director may be removed from office without assigning any cause by a majority vote of the Senior Physicians of the Corporation.
- (b) ~~By the Board. The Board of Directors, by a majority vote of all of the JRMC Representatives, may declare vacant the office of a JRMC Representative, and by a major vote of all of the Physician Representatives, may declare vacant the office of a Physician Representative, who is declared of unsound mind by an order of the court or is convicted of a felony or other cause "Other Cause" shall mean any action or inaction which, in the sole discretion of the Board, materially and adversely affects or may affect the Corporation.~~

Section ~~3.16~~3.16 ~~CONSENSIS.~~ 3.16 CONSENTS. Any action which may be taken at a meeting of the Directors may be taken without a ~~Meeting~~meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors in office and entitled to vote and ~~Shall~~shall be filed with the Secretary of the Corporation.

Section ~~3.17~~3.17 ~~CONFLICT OF INTEREST.~~ 3.17 CONFLICTS OF INTEREST.

- (a) ~~Identification. An actual or potential conflict of interest arises with respect to a Director when any of the following circumstances exists or is threatened:~~
- ~~8~~ (i) ~~a proposed transaction under consideration by the Board, or any ongoing business relationship, involves a Contracting Entity or Competing Entity with respect to which there is an Interested Director; and~~
 - (ii) ~~an opportunity within the scope of activities of the Corporation could be exploited & by the Director, the Director's Family Member, a Competing Entity with respect to which there is an Interested Director, or a Contracting Entity with respect to which there is an Interested Director.~~
- (b) ~~Procedure for Determining Whether a Conflict Exists:~~
- (i) ~~Disclosure Statements: Each Director shall complete an annual Conflict of Interest Disclosure Statement, describing any connections of the Director or the Director's Family Member with a Competing Entity or a Contracting Entity. It is his or her duty to make a full, frank and fair disclosure of the circumstances giving rise to an actual or potential conflict of interest. Each Director is also obligated to file a supplementary Disclosure Statement if, during the year, there is any change in circumstances that alters or makes incomplete the information provided in the original Disclosure Statement. It shall be the responsibility of the President to review each of the Disclosure Statements and bring any perceived conflicts of interest to the attention of the Board of Directors.~~

~~(ii) Additional Disclosure. If, during the course of a meeting of the Board of Directors, a Director is aware that he or she has or may have an actual or a potential conflict of interest in a matter under discussion, the Director shall immediately disclose the material facts about his or her interest in the matter to the Board of Directors. If, during the course of a meeting, the President or any Director believes that another Director has or may have an actual or potential conflict of interest in a matter under discussion, such person shall immediately make such concern known to the Board of Directors.~~

~~(iii) Analysis of Conflict Issue. The determination of whether there is a conflict of interest in any particular circumstance shall be made by the President. In the event that the question involves the President, the Vice President or ranking officer present shall make the decision regarding whether a conflict of interest exists. The review shall be subject to the following process:~~

~~(A) Questioning of the Involved Director. It is the 'Involved Director's duty respond fully and frankly to any question from the President or other Directors relating to the actual or potential conflict of interest.~~

~~(B) Exclusion of the Involved Director. At the President's direction, or upon motion and majority vote of the other Directors present (excluding the Involved Director), the Involved Director shall leave the Board meeting while the question of whether a conflict exists is discussed and, if a conflict is determined to exist, the Involved Director shall leave the Board meeting while the substantive issue which is the subject of the conflict is discussed and shall not vote on said substantive matter.~~

~~(iv) Minutes. The minutes shall reflect (i) the disclosure of any alleged conflict; (ii) the determination as to whether an actual or potential conflict of interest exists; (iii) whether the Involved Director was excluded from the Board's deliberations on the conflict issue and/or the substantive issue; (iv) any abstention from voting; and (v) any action to be taken.~~

~~(e) Definitions:~~

~~(a) Disclosure of Interest. Any Director, officer, or committee member having a Material Interest (as defined below) in a contract or other transaction presented to the Board of Directors or any committee thereof for authorization, approval or ratification, shall make a prompt, full and frank disclosure of such person's interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about his/her relationship or interest and about the contract or transaction. The Board or committee to~~

which such disclosure is made shall thereupon determine, by majority vote of those present, excluding the interested person, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist or can reasonably be construed to exist, such person shall not vote on nor participate in the discussions and deliberations with respect to such contract or transaction, other than to present factual information or to respond to questions. Such person may be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting or participation. For purposes of this Article, a person shall be deemed to have a "Material Interest" in a contract or other transaction if such person, or a member of his/her other immediate family, is a party, or one of the parties, contracting or dealing with the Corporation, or is a director, officer, or key employee of, or has a significant financial interest in the entity contracting or dealing with the Corporation.

(b) Prohibited Transactions. Members of the Board of Directors shall not engage in the following transactions:

~~(i) Competing Entity. Any entity that offers healthcare(i) The sale, exchange or leasing of property or services between the Corporation and a member of the Board of Directors or an entity in which he or she has a Material Interest, on a basis less favorable to the Corporation than that on which such property or services are made available to the general public.~~

~~(ii) Contracting Entity. Any entity engaged in the delivery of products or- Furnishing of goods, services or facilities by the Corporation to a member of the Board of Directors, unless such furnishing is made on the same basis on which such goods, services or facilities are made available to the general public or to the employees of the Corporation.~~

~~Services (e.g., legal, accounting, management, and billing and Recordkeeping services) to or under contract with the Corporation.~~

~~(iii) Interested Director. A Director who, or whose spouse or other family member residing in the same home ("Family Member"), (i) is an officer, director, employee or agent of a Competing Entity or a Contracting Entity or (ii) is the actual or beneficial Owner of at least 5% of the outstanding stock or other ownership interest in a Competing Entity or a Contracting Entity.~~

~~(iv) Involved Director. A Director who is implicated in an actual or potential conflict of interest.~~

~~(v) Protected Information. Any information about the Corporation which is acquired by a Director by virtue of being a Director, including without limitation, information concerning the provision of products or services, finances, and institutional planning.~~

(iii) Any transfer to or use by or for the benefit of a member of the Board of Directors of the income or assets of the Corporation, except purchase for fair market value.

(c) Annual Disclosure Statements. The Board of Directors shall require that all prospective Directors and all members of the Board of Directors execute and submit, at the time of election or appointment, and annually thereafter, a written statement indicating any Material Interests which could give rise to conflicts of interest and any interests which are or may reasonably be construed to be Competing Interests (as defined below). While the written statement is required annually, it is a continuing responsibility of appointees and Directors to provide prompt notice to the Corporation of any changes. Notice of this requirement and other provisions of this Section shall be given to prospective candidates for election or appointment. (d)

Competing Interests. No person shall be eligible to serve as a Director (or to continue to so serve) if he or she has or acquires a "Competing Interest," as defined below:

(i) "Competing Interest" shall be defined as including any of the following situations:

A person (or his or her immediate family member) who, directly or indirectly, owns or holds an investment or ownership interest (other than an ownership or investment interest in less than five percent (5%) of the common stock of a publicly-traded company) in an entity identified or determined by the Corporation from time to time as a competitor;

A person (or his or her immediate family member) who holds a leadership position in an entity identified or determined by the Corporation from time to time as a competitor. Leadership position shall include, without limitation, service on the board, a board committee or a planning committee of or holding a management contract with such a competitor; or

A person who is employed by or has a compensation arrangement with a competing entity. "Immediate family member" means spouse, siblings, parents, children, stepchildren, grandchildren and their spouses.

Examples of entities deemed by the Corporation to be competing entities include, without limitation: general hospitals; specialty hospitals; freestanding surgery centers; specialty diagnostic centers;

specialty treatment centers; specialty therapy centers or other entities operating or which should be operating in whole or in part under a healthcare facility license, but do not include physician offices with equipment customarily and routinely used or contained in a physician office (e.g., EKG machine used by a cardiologist).

- (ii) It shall be the responsibility of prospective Directors and current Directors to promptly disclose the existence of all ownership or investment interests, leadership positions and employment or compensation arrangements, regardless of whether they fall within the above definitions. If such interest is in an entity that the Corporation has previously determined to be a competing entity, the prospective Director or current Director shall be automatically ineligible to serve or continue serving as a Director and shall be deemed to have automatically resigned his or her position or interest in a position on the Board and its committees.
- (iii) If it is necessary for the Board to determine whether the entity in question is a competing entity, the Board, by majority vote of those present (excluding the interested person) shall decide whether a Competing Interest exists. If a Competing Interest exists, the interested person shall no longer be eligible for consideration as a prospective Director or, if already serving as a Director, shall not continue to serve, and shall be deemed to have automatically resigned his or her interest in a position on the Board and its committees.

ARTICLE ~~IV~~IV

Officers

Section ~~4.1~~4.1 ~~ENUMERATION~~ENUMERATION. The officers of the Corporation shall consist of a President, Secretary and Treasurer and such other ~~Officers~~officers and assistant officers as the Board of Directors may, ~~faint~~from time to time, designate. The ~~Members~~members of the Board may also ~~eject~~elect a Chairperson to preside at meetings of the Board ~~and the members~~.

Section ~~4.2~~4.2 TERM OF OFFICE. Each officer shall serve for a term of one (1) year and until the officer's successor is ~~dully~~duly elected and takes office.

~~10~~-Section ~~4.3~~4.3 ELECTION. ~~Except as set forth in Section 4.5, all~~All officers shall be elected prior to the beginning of the fiscal year by ~~the Board of Directors~~[New Parent's Member].

Section ~~4.4~~4.4 VACANCIES. Any vacancy occurring by death, resignation, refusal to serve, or otherwise may be filled by ~~the President or by the Directors entitled to vote, all~~subject to the approval of the Sole Member [New Parent's Member].

~~Section 4.5 PRESIDENT. The Group Practice, Director, who shall be a physician annually elected or appointed by the Physician Representatives, shall serve as the President of the Corporation.~~
4.5 PRESIDENT. The President shall be responsible for and have supervision over the management and administration of the Corporation, subject to the control of the Board of Directors and the ~~Sole Member.~~ Any removal of the President shall be subject to Article IV of the Bylaws. — Member.

~~Section 4.6~~4.6 SECRETARY. The Secretary shall make or cause to be made minutes of all meetings of the Board of Directors. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Board of Directors, shall affix the corporate seal at the direction of the President and, generally, will perform all ~~duties~~duties incident to the office of secretary of a corporation and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or which may be assigned from time to time -by the Board of Directors.

~~Section 4.7~~4.7 TREASURER. The Treasurer shall supervise the financial activities of the Corporation. Specifically, the Treasurer shall see that (a) full and accurate accounts of receipts and disbursements are kept, (b) ~~System~~a system is in place such that all monies and other valuable effects are deposited in the name and to the credit of the Corporation in such depositories as shall be designated by the Board, (c) the Directors at the regular meetings of the Board or whenever they may require it, receive an account of the financial condition of the Corporation, and (d) an annual audit of the Corporation's books and records is performed by an auditor selected by ~~the Board.~~[New Parent's Member]. In performing these functions, the Treasurer may rely, on employees of the Corporation or any affiliated corporation who possess special financial training and skills and whose employment responsibilities include management of the Corporation's financial affairs. In the absence or disability of the Treasurer, the Assistant Treasurer, if any, shall perform all the duties of the Treasurer and when so acting shall have all of the powers of and be subject to all of the restrictions upon the Treasurer.

~~Section 4.8~~4.8 OTHER OFFICERS. Each other officer shall, have such responsibilities and ~~Perform~~perform such duties as may be prescribed by the Board of ~~Director~~Directors and as are approved by [New Parent's Member] from time to time. Each assistant officer shall carry out the responsibilities and duties of the officer which the assistant officer assists in the event such officer is unable to perform such responsibilities or duties, except that no assistant officer shall become a Director solely by virtue of being an assistant officer.

~~Section 4.9~~4.9 BONDS. The Board may, in its discretion, require the Treasurer and any other officer to give bond in such amount and with such surety or sureties ~~as~~ may be satisfactory to the Board for the faithful discharge of the duties of the office and for the restoration to the Corporation, in case of the officer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind belonging to the Corporation in the officer's possession or under the officer's control.

Section ~~4.104.10~~ REMOVAL OF OFFICERS. Any officer may be removed by ~~the Sole, [New Parent's Member]~~ whenever, in its judgment, the best, interests of the Corporation will be served, ~~except as provided in Section 2,2(a)~~.

ARTICLE ~~V~~

V

Group Practice Director

Section 5.1 DUTIES. The Group Practice Director, who, at the date of the adoption of these Bylaws is Charles W. Cline ~~MD, M.D.~~, shall ~~at all times~~ be a Senior Physician of the Corporation annually elected or appointed by the Senior Physicians of the Corporation, subject to approval of [New Parent], not to be unreasonably withheld, and shall act as chief administrative officer of the Corporation, having overall responsibility for operations of the Corporation to ensure quality, cost effective care. These duties ensuring quality, cost effective care. The Group Practice Director shall at all times while serving as such be a physician duly licensed and qualified in the Commonwealth of Pennsylvania and shall not at any time have been excluded from participation in Medicare, Pennsylvania Medical Assistance, or other federal or state healthcare program. The duties of the Group Practice Director shall include, but not be limited to, the following:

- ~~(a) — Accept and maintain appointment by Corporation as President.~~
- ~~(b) (a)~~ Develop and implement goals and objectives for the Corporation.
- ~~(e) (b)~~ Chair and serve as a voting member of all, committees which may be established relating to compensation and physician productivity.
- ~~(d) (c)~~ Chair and serve as a voting member of all committees which may be established relating to physician recruitment and retention, as well as the maintenance of appropriate staffing levels and, when necessary, the termination of a physician's employment.
- ~~(e) — Recruit and select highly qualified general surgeons for participating in the Corporation to ensure a high standard of clinical practice.~~
- ~~(f) (d)~~ Maintain oversight of the professional performance of all members of the Corporation.
- ~~(g) (e)~~ Organize, supervise and coordinate clinical services of the Corporation.
- ~~(h) (f)~~ Prepare or direct the preparation of such reports and records as may be required by law, regulatory bodies, whether public or private, these Bylaws, ~~Rules and Regulations~~ or as may be reasonably ~~may be~~ required by the Corporation.
- ~~(i) (g)~~ Assist the Corporation in assuring that the ~~corporation~~ Corporation is in compliance with the regulations of all federal, state and local governmental and regulatory bodies and all applicable accrediting agencies.

~~all accrediting agencies, including but not limited to The Joint Commission, as~~

- ~~— well as with these Bylaws, Medical Staff Bylaws, Medical Staff Rules and Regulations and credentialing and Due Process Manual.~~
- ~~(j) Develop~~(h) Assist in developing appropriate standards of care and policies and procedures for the operation of the Corporation.
- ~~12~~ (ki) Assist in developing a comprehensive and effective quality assurance and utilization review program for the Corporation.
- ~~(i)~~ Assist with the preparation of annual reports, as well as operating and capital budgets for the Corporation.
- (mk) Assist in maintaining effective community relations by speaking at civic associations and other organizations on behalf of the Corporation and attending such community and public relations functions as may be reasonably ~~may be~~ requested by the Corporation.
- (nl) Have the authority to enter into operational contracts, with prior approval of the Board ~~approval of Directors.~~
- (m) Recruit and select highly qualified general surgeons for participating in the Corporation to ensure a high standard of clinical practice.

Section ~~5.2.~~ 5.2 SUCCESSORS. In the event that the Group Practice Director is no longer employed by the Corporation or ~~Withdraws~~withdraws or is removed by ~~the~~ majority vote of the ~~Physician Representatives as Group Practice Director, the Physician Representatives~~Senior Physicians of the Corporation, the Senior Physicians of the Corporation shall choose his/her successor, subject to ~~the~~ approval of ~~the Sole Member, whose approval shall not be unreasonably~~ [New Parent], not to be unreasonably withheld.

ARTICLE ~~VI~~ VI

Committees

Section ~~6.1~~ 6.1 COMMITTEES. The Corporation shall have such standing and ad hoc committees as the Board may deem advisable in the administration and conduct of the affairs of the Corporation. Such committees of the Board shall meet as necessary to accomplish their goals. The Board is authorized in its discretion to approve reimbursement for travel and actual expenses necessarily incurred by members of committees in attending committee meetings and in performing other official duties as such. ~~"Except as otherwise provided in these Bylaws or in the resolution creating the applicable committee, committee~~ Committee chairpersons and members shall be appointed annually by the ~~President~~Board of Directors and may be reappointed to a committee ~~or for~~ an unlimited number of terms. With the exception of the Executive Committee, if any, persons who are not ~~Detectors~~Directors are eligible to serve as committee members. ~~Any person authorized by~~

~~these Bylaws to appoint the chairman and/or members of any committee may appoint himself or herself as chairman and/or members.~~ The chairman of each committee shall determine the date and place of all committee meetings. Each committee may adopt its own rules of procedure not inconsistent with these Bylaws.

Section ~~6.2~~ 6.2 LIMITATION ON POWER OF COMMITTEES. No such committee shall have any power or authority as to the following:

- (~~a~~) a) the submission to the ~~Sole~~-Member of any action requiring approval of the ~~Sole~~-Member;
- (~~b~~) b) the filling of ~~vacat~~ies vacancies in the Board of Directors;
- (~~c~~) c) the adoption, amendment or repeal of ~~the~~these Bylaws;
- (~~d~~) d) the amendment or repeal of any resolution of the Board; or
- (~~e~~) e) action on matters committed by ~~the~~these Bylaws or a resolution of the Board to another ~~Committee~~committee of the Board.

ARTICLE ~~VH~~VII

Limitation of Personal Liability of Directors

Section ~~7.1~~ LIMITATION OF DMECTORS PERSONAL LIABILITY. ~~A Director of the Corporation shall not be personally liable for monetary damages for any action taken unless the Director has breached or failed to perform the duties of his office under Chapter 57, Subchapter B of the NPCL as in effect at the time of the alleged action by such Director and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Such limitation on liability does not apply to the responsibility or liability of a Director pursuant to any eriminal statute or for payment of taxes pursuant to any Federal, state or local law.~~ 7.1

Section ~~7.2~~ PRESERVATION OF RIGHTS. ~~Any repeal or modification of this Article by the Corporation shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.~~

- (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 Section 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 Section or provision of these Bylaws 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.

ARTICLE ~~VIII~~-VIII

Indemnification

~~Section 8.1 MANDATORY INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation shall indemnify, to the fullest extent now or hereafter permitted by Law (including but not limited to the indemnification provided by Chapter 57, Subchapter D of the NPCL), each Director and/or officer (including each former Director or officer) of the Corporation who was or~~
8.1

- (a) Right to Indemnification - 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 ~~officers~~she 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 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~~ 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 ~~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 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 VIII, shall mean any Director, officer, 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 VIII.~~

~~Section 8.2 MANDATORY ADVANCEMENT OF EXPENSES TO DIRECTORS AND OFFICERS. The Corporation shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Corporation referred to in Section 8.1 hereof in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 8.1 hereof in~~

~~-14-~~

~~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 8.4 hereof.~~

- (b) ~~Section 8.3 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 Right to Indemnification - Third Party Actions. Without limiting the generality of Section 8.1(a), any person who was or is a party or is threatened to be made a party to ~~or a witness in, or is otherwise involved in,~~ 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 ~~such person he or she~~ is or was ~~an authorized~~ a representative of the Corporation, or is or was serving at the ~~quest~~ 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, ~~both as to action in his official capacity and as to action in another capacity while holding such office or position,~~ against ~~all~~ shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by ~~such person in conjunction~~ him or her in connection with such action, suit or proceeding if ~~such Director he or officer she~~ acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best ~~interest~~ 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 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 8.3 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 8.4 hereof.~~ 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.

~~Section 8.4 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 NPCL or any Successor statute as in effect at the time of Such alleged action or failure to take action.

~~Section 8.5 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 indemnification and advancement of expenses provided by this Article 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, vote of disinterested Directors, 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 Corporation and shall inure to the benefit of the heirs, executors and administrators of such person. Any repeal or modification of this Article by the Sole Member 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.~~

~~Section 8.6 DEFINITION OF AUTHORIZED REPRESENTATIVE. For the purposes of this Article, the term "authorized representative" shall mean a Director, 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 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 agents of the Corporation unless indemnification thereof is expressly approved by the Board of Directors.~~

(c) Right to Indemnification - Derivative Actions. Without limiting the generality of Section 8.1(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 8.1(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. Expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VIII 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 VIII or otherwise.

(e) ~~Section 8.7 PROCEDURE FOR EFFECTING INDEMNIFICATION~~ Procedures for Effecting Indemnification. Unless ordered by a court, any indemnification under ~~this Article VIII or the NPCL shall be made only following~~ Section 8.1(a), Section 8.1(b) or Section 8.1(c) shall be made by the Corporation only as authorized in the specific case upon a determination that ~~the indemnification of the representative~~ is proper in the circumstances because ~~the person seeking indemnification~~ 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) 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.

~~(a) by the Board of Directors by a majority vote of a quorum consisting of Directors~~

~~who were not party to the action or proceeding;~~

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

~~(c) by Sole Member.~~

(f) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article VIII 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 and 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 VIII shall not be made in any case where 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.

(h) Grounds for Indemnification. Indemnification pursuant to this Article VIII, 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 VIII 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 VIII shall be applicable to all actions, suits or proceedings within the scope of Section 8.1(a), Section 8.1(b) or Section 8.1(c) of these Bylaws, 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 VIII.
- (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 VIII or otherwise.
- (k) Status Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VIII 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 VIII, 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 VIII 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 to Directors, officers and employees of the Corporation pursuant to Section 8.1(k).

ARTICLE ~~IX~~

Restrictions Regarding the Operations of the Corporation; Administration of Funds

Section ~~9.1~~—9.1 NO PRIVATE BENEFICIARIES. The Corporation shall not pay dividends or distribute any part of its income or profits to its members, Directors, or officers, except that the Corporation may pay compensation in a reasonable amount to its ~~members, Directors, or officers~~ for services rendered, and may reimburse Directors for expenses in accordance with Section 3.4 of these Bylaws.

Section ~~9.29.2~~ ANNUAL REPORT. The Treasurer shall submit, annually to the Board of Directors a statement containing ~~these~~those details required to be included under the provisions of the ~~NPCL, Nonprofit Corporation Law,~~ as it may be amended from time to time or any successor statute governing Pennsylvania nonprofit corporations or these Bylaws;.

Section ~~9.39.3~~ BOOKS AND RECORDS. ~~This~~The Corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of the ~~Sole Member,~~ Board of Directors and committees, and records of actions taken by the Member relating to the Corporation. The Corporation will keep at its registered office the original or a copy of its Bylaws including amendments to date, certified by the Secretary of the Corporation and an original or duplicate membership register, giving the names of the members and showing their respective addresses, and the class and other details of membership. ~~Every member~~ The Member, [New Parent] and [New Parent's Member] shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours ~~for~~for business for any proper purpose, the membership register, books and records of account and

~~-16-~~

records of the proceedings of the ~~members and~~ Directors, and records of actions taken by the Member relating to the Corporation, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as ~~a member.~~the Member, [New Parent] or [New Parent's Member]. Where an attorney or other agent is the person who seeks the right of inspection, the demand under oath shall be accompanied by a power of attorney or another writing authorizing the attorney or other agent to act on behalf of ~~the members~~such person.

ARTICLE ~~X~~

Bylaws Amendments~~X~~

~~Section 10.1 AUTHORITY. Unless approval of the Sole Member is required by the NPCL, these Bylaws may only be altered, amended and/or repealed by a vote of a majority of the Board of Directors voting as set forth in Section 3.7 or the Sole Member, except as provided in Section 2.2 of these Bylaws.~~

~~Section 10.2 NOTICE. The Directors of the Corporation shall be given at least ten (10) days prior written notice of any Board meeting at which proposed changes to the Bylaws of the Corporation are to be considered or acted upon. Such written notice shall include a copy of the proposed amendment or a summary of the changes to be effected thereby.~~

Dissolution

Upon the dissolution or liquidation of the Corporation, after paying or making provision for 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 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 [New Parent], or its successor, provided that [New Parent] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution of the Corporation, both the Member and [New Parent], 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 [New Parent's Member], or its successor, provided that [New Parent's Member] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution of the Corporation, each of the Member, [New Parent] and [New Parent's Member], 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 (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 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.

ARTICLE XI

Bylaws Amendments

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted only by [New Parent's Member], subject to Section 2.2(c)(ii), Section 3.2, Section 3.3, Section 3.8(a) and Article V hereof.

TAB 21

DRAFT

1/17/2013

AMENDED AND RESTATED BYLAWS

of

OF

JRMC SPECIALTY GROUP PRACTICE

PA Pennsylvania Nonprofit Corporation

Adopted

_____, ~~2009~~2013

AMENDED AND RESTATED BYLAWS

of

OF

JRMC SPECIALTY GROUP PRACTICE

a A Pennsylvania Nonprofit Corporation

Article I ARTICLE I

Introductory

~~Section 1.1~~ Section 1.1 NAME. The name of the Corporation is JRMC Specialty Group Practice.

~~Section 1.2~~ ~~STATEMENT OF PURPOSES.~~ ~~As provided in its Articles of Incorporation, the Corporation is organized for the purpose of arranging for the provision of healthcare services.~~ Section 1.2 STATEMENT OF PURPOSES. The Corporation is organized under the Pennsylvania Nonprofit Corporation Law of 1988, as amended (the "Nonprofit Corporation Law") for charitable, scientific and educational 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 arrange for the provision of health care services;
- (b) To operate as part of the nonprofit health care system governed by [New Parent's Member], a Pennsylvania nonprofit corporation ("[New Parent's Member]"), and support a health care provider network comprised of the Member and those corporations and other entities over which the Member exercises governance control (the "subsidiaries");
- (c) To exercise such powers in furtherance of the foregoing purposes as are now or may be granted hereafter by the Nonprofit Corporation Law, as amended from time to time, or any successor legislation;
- (d) To carry out 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; and
- (e) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

~~Section 1.3~~ Section 1.3 OFFICES. The principal and registered office of the Corporation shall be located at _____; Coal Valley Road, P.O. Box 18119,

Pittsburgh, PA 15236, or at such other place as the Board of Directors may designate from time to time.

~~Section 1.4~~ Section 1.4 FISCAL YEAR. The fiscal year of the Corporation shall end on ~~June 30 of each year, or on such other date~~ day as ~~may~~ shall be fixed ~~from time to time by resolution of the Board of Directors~~ by [New Parent's Member].

~~Section 1.5~~ Section 1.5 SEAL. The corporate seal of the Corporation, if any, shall be a circle with the name of the Corporation and the state of incorporation around the border and the words "Corporate Seal" in the center.

~~Section 1.6~~ Section 1.6 GOVERNING LAW. The Corporation shall be governed by the ~~Pennsylvania~~ Pennsylvania Nonprofit Corporation Law ~~of 1988~~, as it may be amended from time to time ("NPCL").

~~Article II~~

~~Sole Member~~ ARTICLE II

Member

~~Section 2.1~~ SOLE MEMBER. ~~Jefferson Regional Medical Center shall be the sole member of the Corporation (the "Sole Member"):~~

Section 2.1. MEMBER. The Corporation shall have one (1) member, which shall be Jefferson Regional Medical Center (the "Member"). There shall be no other members or classes of membership. The President/CEO of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted by the Member to the President/CEO 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 [New Parent's Member] as set forth in these Bylaws.

~~Section 2.2~~ RIGHTS AND POWERS. ~~In addition to the rights of members set forth in the NPCL, the Sole Member shall have the power to initiate and approve, and to reverse the following actions:~~ Section 2.2 RIGHTS AND POWERS.

- ~~(a) except as otherwise provided in these Bylaws, nomination, election, and removal of all officers and Directors (other than those Directors appointed or elected by the physician employees of the Corporation ("Physician Representatives"), which Physician Representatives may be removed only for cause);~~

(a) Reserved Powers of Member.

(i) The Member shall have the right and power to make recommendations to [New Parent], a Pennsylvania nonprofit corporation ("[New Parent]"), and [New Parent's Member] with respect to actions by [New Parent] and [New Parent's

Member] on matters reserved to [New Parent] and [New Parent's Member] under Sections 2.2(b) and 2.2(c) of these Bylaws. [New Parent] and [New Parent's Member] 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

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

~~(b) — any change in the number of Directors except that any change must be consistent with the requirements of Section 3.2 of these Bylaws regarding the minimum number of Physician Representatives, and a reduction in the number of Physician Representative positions must be approved by the Physician Representatives;a)~~

To determine the number of Directors that will comprise the Board of Directors of the Corporation and its subsidiaries, except that any change with regard to the Corporation must be consistent with the requirements of Section 3.2 of these Bylaws regarding the minimum number of Class A Directors (as hereinafter defined), and a reduction in the number of Class A Director positions must be approved by the Class A Directors:

~~(e) — all operating and capital budgets and amendments thereto;~~

~~(d) — all fundamental change transactions and all other transactions not in the ordinary course of business;~~

~~(e) — all amendments to the Articles of Incorporation of the Corporation and these Bylaws, except changes to Sections 3.2, 3.3 (regarding the election of Physician Representatives to fill vacancies) and 3.8(a) or Article V of these Bylaws, which must be approved by the Physician Representatives;~~

~~(f) — indebtedness (i) which individually exceeds an amount established by the Sole Member from time to time or (ii) if such individual indebtedness is less than such amount, such indebtedness which, when added to the aggregate unpaid balance of all of the Sole Member's affiliated corporations' outstanding indebtedness (exclusive of mortgaged real estate) ("System Indebtedness"), causes the System Indebtedness to exceed an amount established by the Sole Member from time to time;~~

~~(g) — selection of independent auditors and legal counsel;~~

~~(h) — the entry into joint ventures or partnerships by the Corporation;~~

~~(i) — the execution of any management agreement, managed care contract, third party payor contract, or any other contract or material transaction involving the Corporation or its business not in the ordinary course of business; and~~

~~(j) — all other actions or tasks as are reserved to or required of the Sole Member by virtue of any other provisions of these Bylaws or by resolutions enacted by the Board of Directors of the Corporation from time to time.~~

~~Section 2.3 — MANNER OF ACTING. The Sole Member shall act by executing and delivering to the President of the Corporation a written instrument signed by an officer or authorized agent of the Sole Member setting forth the action taken by the board of directors of the Sole Member or by the officer or board committee authorized by the board to take such action.~~

b) To elect the Class B Directors (as hereinafter defined) of the Corporation and the directors of its subsidiaries; and

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

(b) Reserved Powers of [New Parent]:

[New Parent] shall have the right and power to make recommendations to [New Parent's Member] with respect to actions by [New Parent's Member] on the matters reserved to [New Parent's Member] under Section 2.2(c) of these Bylaws. [New Parent's Member] shall have no obligation to approve any such recommendations, and [New Parent's Member] may take actions that have not been recommended by, or that are contrary to recommendations of, [New Parent].

(c) Reserved Powers of [New Parent's Member]:

[New Parent's Member] will have plenary authority with regard to the following:

(i) To elect and remove, with or without cause, all officers, including the President, of the Corporation and its subsidiaries;

(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 [New Parent], the Member or Board of Directors of the Corporation; provided however, that [New Parent's Member] will have no power to amend, revise or restate Section 3.2, Section 3.3 (regarding the election of Class A Directors to fill vacancies), Section 3.8(a) or this proviso of Section 2.2(c)(ii) of these Bylaws, each of which may be amended only upon the concurrent approval of both (a) the Class A Directors, voting as a class, and (b) the Class B Directors, voting as a class;

(iii) To adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(iv) To change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(v) 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