

# CHILDREN'S COMMUNITY PHYSICIANS ASSOCIATION

## AMENDED AND RESTATED BYLAWS

### ARTICLE I NAME AND OFFICES

**SECTION 1. NAME.** The name of the Corporation is Children's Community Physicians Association, an Illinois not-for-profit corporation (the "Corporation").

**SECTION 2. OFFICES.** The Corporation shall continuously maintain in the State of Illinois a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the state.

### ARTICLE II PURPOSES

**SECTION 1. GENERAL PURPOSE.** The Corporation shall have such purposes or powers as are stated in its Articles of Incorporation. The Corporation shall also have such powers as are now or may be granted hereafter by the General Not For Profit Corporation Act of the State of Illinois, or any successor legislation (the "Act"); provided that such powers may be exercised only in furtherance of the purposes of the corporation as stated in its Articles of Incorporation and consistent with its status as a not-for-profit corporation described in the Act.

**SECTION 2. SPECIFIC PURPOSES.** The purposes of the Corporation shall include the following:

A. To support the efforts of pediatricians to achieve and maintain efficient, high-quality practices as part of a clinically-integrated network.

B. To facilitate and implement managed care arrangements that recognize the benefits of clinical integration, and to enter into such arrangements for and on behalf of Members or otherwise for their benefit;

C. To educate community-based pediatricians, hospital-based pediatricians and hospitals concerning managed care issues which relate to the practice of pediatric medicine;

D. To educate pediatricians, other physicians and other licensed personnel in the Chicago metropolitan area on the subject of clinically-integrated practice of pediatric medicine;

E. To encourage, facilitate and participate in clinical initiatives with respect to Ann & Robert H. Lurie Children’s Hospital of Chicago (the “Hospital”) and its related entities and physicians; and

Notwithstanding any of the foregoing, this Corporation shall not engage in the practice of medicine or provide medical care directly to individuals or through hospitals or other institutions or entities, nor shall this Corporation hold itself out to the public or to the medical profession or otherwise as engaging in any of the foregoing activities.

### **ARTICLE III** **MEMBERS**

**SECTION 1. CLASSES OF MEMBERS AND VOTING RIGHTS.** The Corporation shall have two classes of membership: (1) Voting Members and (2) Associate Members (collectively referred to as the “Members”).

#### **SECTION 2. COMMUNITY MEMBERS.**

A. **Composition.** The Voting Member Class shall consist of physicians who own or are employed by a private medical practice, are qualified for membership in accordance with Section 2.B of this Article, and are approved for membership in accordance with Section 4 of this Article.

B. **Qualification.** To be eligible for admission as a Voting Member, an applicant must meet (i) the Corporation’s credentialing standards as in effect from time to time, and (ii) agree to participate fully and completely in the Corporation’s clinical integration program. Further, each Member must meet and continually satisfy the following requirements:

(1) Each Voting Member shall enter into a Membership and Participation Agreement with the Corporation, and shall maintain such Agreement in effect at all times that such person is a Member of the Corporation;

(2) Each Voting Member must make an initial capital contribution and agree to pay any additional capital contributions in accordance with Section 5 hereof, and must pay periodic dues in accordance with Section 6 hereof;

(3) Each Voting Member must own or be employed by a private medical practice and not be employed by the Hospital or any other hospital or by any hospital-based faculty, organization or similar group;

(4) All owners and employee physicians of a Voting Member’s medical practice must also achieve and maintain membership in the Corporation; provided, however, that a pediatric specialist in a practice with other specialists who are not pediatric specialists may be a Voting Member notwithstanding that the other non-pediatric specialists in the practice are not Voting Members; and

(5) No less frequently than every thirty six (36) months, each Voting Member must be re-credentialed to ensure that such Voting Member continues to comply with the Corporation's qualifications as well as the qualifications of the Corporation's contracted payors and to ensure that such Voting Member's medical practice reflects a commitment to high quality, cost-effective pediatric medical care necessary to participate in the Corporation's provider network. Notwithstanding the preceding sentence, at the discretion of the Board of Directors, a Voting Member may be required at any time to submit evidence that he or she continues to meet the Corporation's membership qualifications.

C. **Rights and Privileges.** Voting Members shall have voting rights in the Corporation. Each Voting Member shall be entitled to vote on all matters coming before the Corporation, and each Voting Member shall have one (1) vote. Cumulative voting shall not be permitted. In addition, Voting Members shall be eligible to serve as Directors, Officers, and members of all committees and commissions of the Corporation.

### **SECTION 3. ASSOCIATE MEMBERS.**

A. **Composition.** The Associate Member Class shall consist of physicians employed by the Hospital who are qualified for membership in accordance with Section 3.B of this Article, and are approved for membership in accordance with Section 4 of this Article.

B. **Qualification.** To be eligible for admission as an Associate Member, an applicant must meet (i) the Corporation's credentialing standards as in effect from time to time, and (ii) agree to participate fully and completely in the Corporation's clinical integration program. Further, each Associate Member must meet and continually satisfy the following requirements:

(1) Each Associate Member must be employed by the Hospital;

(2) Each Associate Member shall enter into a Membership and Participation Agreement with the Corporation, and shall maintain such Agreement in effect at all times that such person is a Member of the Corporation;

(3) Each Associate Member must make an initial capital contribution and agree to pay any additional capital contributions in accordance with Section 5 hereof, and must pay periodic dues in accordance with Section 6 hereof; and

(4) No less frequently than every thirty six (36) months, each Associate Member must be re-credentialed to ensure that such Associate Member continues to comply with the Corporation's qualifications as well as the qualifications of the Corporation's contracted payors. Notwithstanding the preceding sentence, at the discretion of the Board of Directors, an Associate Member may be required at any time to submit evidence that he or she continues to meet the Corporation's membership qualifications.

C. **Rights and Privileges.** Associate Members shall have no voting rights in the Corporation. Associate Members shall be eligible to serve as members of all commissions but shall not be eligible to serve as members of committees or Directors or Officers of the Corporation, unless otherwise provided in these Bylaws.

**SECTION 4. ADMISSION OF MEMBERS.** Any individual meeting the Corporation's qualifications for membership set forth in the Corporation's Credentialing Policies and Procedures may be admitted to membership. Admission of a Member shall be in the sole discretion of the Board of Directors. The Board of Directors may delegate the authority to approve an applicant for membership to a Credentialing Committee pursuant to policies and procedures approved by the Board of Directors.

**SECTION 5. CAPITAL CONTRIBUTIONS.** Each Member shall make an initial capital contribution to the Corporation in such amount as established by the Board of Directors. Further, each Member shall make additional capital contributions in such amounts and at such times as the Board of Directors may determine from time to time. No Member shall be entitled to a return of his or her capital contribution except in accordance with Section 11 of this Article.

**SECTION 6. MEMBERSHIP DUES; OTHER DUES.** Each Member shall pay periodic dues in such amounts and at such times as the Board of Directors may determine from time to time. The amount and dates of payment of such dues may vary and may be classified on the basis of the specialization of Members, geographic location or other criteria in the discretion of the Board of Directors. The Board of Directors shall have the power to levy, collect and provide for the collection of dues and other fees, and for the refunding thereof, as it shall determine in its sole discretion.

**SECTION 7. RESIGNATION; TERMINATION OR SUSPENSION OF MEMBERSHIP.**

A. A Member may resign by providing written notice to the President or Executive Director; provided, however, that resignation shall not relieve a Member of any continuation of care or other post-termination obligations under the Membership and Participation Agreement or under any contracts between the Corporation and a third party payor in which such Member participates.

B. Further, membership in the Corporation may be terminated or suspended involuntarily upon the occurrence of any of the following events:

(1) Membership in the Corporation may be terminated automatically upon notice to the Member and without necessity of affirmative action by the Board of Directors, in the event a Member ceases to maintain unrestricted medical licensure or any other essential credential, or engages in conduct that is unlawful or jeopardizes the health or safety of patients. The circumstances constituting cause for automatic termination shall be defined by the Board of Directors in the Corporation's Credentialing Policies and Procedures.

(2) The Board of Directors, either upon recommendation of the Credentialing Committee or upon its own initiative, by affirmative vote of two-thirds of all Directors, may suspend or terminate the membership of a Member who has materially violated any duly-adopted policies, procedures, rules or regulations of the Corporation or any contract

entered into by or through the Corporation. The Board of Directors may delegate the authority to make such a determination to the Credentialing Committee; provided that any such action by the Credentialing Committee shall require the presence of a quorum and a unanimous vote of the members present; and such action otherwise shall be referred to the Board of Directors.

C. In the event of involuntary termination or suspension under the preceding subsection B, the Member shall be entitled to appeal such action as and to the extent provided in the policies and procedures of the Corporation.

D. Involuntary termination, suspension or resignation shall not relieve a Member of the obligation to pay any dues or other charges theretofore accrued but unpaid. Upon involuntary termination, suspension or resignation, a Member shall not have any right to a return of any fees or dues paid by such Member.

**SECTION 8. TRANSFER OF MEMBERSHIP.** Membership in the Corporation is a personal privilege and is not transferable or assignable.

**SECTION 9. NO MEMBERSHIP CERTIFICATES.** No membership certificates of the Corporation shall be required.

**SECTION 10. POWERS RESERVED TO MEMBERS.** The following authority shall be reserved to Members:

- A. To elect the Directors of the Corporation in accordance with Article V hereof;
- B. To remove any Director as provided in Article V; and
- C. To ratify such amendments to these Bylaws and to the Corporation's Articles of Incorporation as may be approved by the Board of Directors.

**SECTION 11. RETURN OF CAPITAL.**

A. **Return of Capital Upon Dissolution of Corporation.** In the event of dissolution of the Corporation by the Members, the Corporation shall, pursuant to the plan of dissolution, pay all outstanding liabilities of the Corporation. Further, the Corporation shall, pursuant to the plan of dissolution, after provision for assets held upon specific conditions or subject to limitations on use as set forth in Section 112.16 of the Act, use any remaining funds to return any contributions of capital, or a pro rata portion thereof if funds are insufficient, to those Members who made such contributions. Any such pro rata shall be based upon the respective capital contribution of each Member. The disposition of the assets of the Corporation remaining after the satisfaction of all outstanding liabilities of the Corporation and return of all capital contributions, shall be determined by and among the Members.

B. **Return of Capital Upon Cessation of Membership.** In the event of a Member's resignation, termination or other circumstance leading to the cessation of a Member's membership in the Corporation prior to dissolution of the Corporation, such Member shall not be entitled to a return of his or her capital contribution, regardless of the reason for such cessation

## **ARTICLE IV** **MEETINGS OF MEMBERS; VOTING**

**SECTION 1. PLACE OF MEETING OF MEMBERS.** The Board of Directors may designate any place in the metropolitan Chicago area as the place of meeting for any annual meeting or for any special meeting of the Members called by the Board of Directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be at the registered office of the Corporation in the State of Illinois.

**SECTION 2. ANNUAL MEETING OF MEMBERS.** The annual meeting of Members shall be held in May of each year on a date determined by the Board.

**SECTION 3. SPECIAL MEETING OF MEMBERS.** Special meetings of the Members may be called by the President, by the Board of Directors, by twenty-five percent (25%) of the Voting Members or by such other Officers or persons as may be provided in the Articles of Incorporation or these Bylaws.

**SECTION 4. NOTICE OF MEMBERS' MEETING.** Written notice stating the place, day and hour of the meeting of Members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Member not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President or the Officer or persons calling the meeting. Notice may be given by personal delivery, by U.S. mail, by facsimile, or by electronic mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Corporation with postage thereon prepaid. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

**SECTION 5. PROXIES.** Any Voting Member may appoint another Voting Member as his or her proxy to vote or otherwise act for him or her by signing and dating an appointment form and delivering it to the person so appointed, who in turn shall present the appointment to the presiding officer of the meeting. No such proxy shall be valid for more than eleven months from the date of its execution.

**SECTION 6. INFORMAL ACTION.** Unless otherwise provided in the Articles of Incorporation, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting and without a vote, if a consent in writing, setting forth the action so taken shall be signed (a) if five days' prior notice of the proposed action is given in writing to all of the Members, by not less than the

minimum number of Voting Members that would be necessary to authorize or take such action at a meeting at which all Voting Members entitled to vote thereof were present and voting, or (b) by all of the Voting Members. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given in writing to those Voting Members who have not consented in writing.

**SECTION 7. VOTING BY BALLOT.** Voting on any question or in any election may be by voice unless the presiding officer shall order or not less than ten (10) Voting Members shall demand that voting be by ballot.

**SECTION 8. CLOSING BOOKS AND FIXING RECORD DATE.** For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members, or in order to make a determination of Members for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of Members; such date in any case to be not more than sixty (60) days and, for a meeting of Members, not less than ten (10) days immediately preceding such meeting. If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. A determination of Members entitled to vote at any meeting of Members as herein provided shall apply to any adjournment of the meeting.

**SECTION 9. QUORUM OF MEMBERS.** A majority of the Voting Members, represented in person or by proxy, shall constitute a quorum for consideration of any matter at a meeting of Members; provided that if less than a majority of the Voting Members is represented at said meeting, a majority of the Voting Members so represented may adjourn the meeting at any time without further notice. If a quorum is present, the affirmative vote of the majority of the Voting Members represented at the meeting shall be the act of the Members, unless the vote of a greater number is required by the Articles of Incorporation or these Bylaws. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of Members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

**SECTION 10. VOTING LISTS.** The Officer or agent having charge of the records of the Corporation shall make, within twenty (20) days after the record date for a meeting of Members or within ten (10) days before each meeting of Members, whichever is earlier, a complete list of the Members entitled to vote at such meeting, arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Member, and to copying at the Member's expense, at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

**SECTION 11. INSPECTORS.** At any meeting of Members, the presiding officer may, or upon the request of not less than ten (10) Voting Members, shall appoint one or more persons as inspectors for such meeting. Such inspectors shall ascertain and report the number of Members

represented at the meeting based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the Members. Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of Members represented at the meeting and the results of the voting shall be prima facie evidence thereof.

## **ARTICLE V** **DIRECTORS**

**SECTION 1. GENERAL POWERS.** The affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall appoint individuals, who need not be Directors, to serve on the governing boards and on committees of other entities on which this Corporation is entitled to representation.

**SECTION 2. NUMBER AND QUALIFICATIONS.** The Board of Directors shall comprise (i) those Directors elected in accordance with Section 3.A of this Article (the “Elected Directors”), and (ii) the two immediate Past Presidents of the Corporation *ex officio* and with vote (the “Ex-Officio Directors”), if qualified and serving in accordance with Section 3.B of this Article. The total number of Directors at all times shall be at least seven (7), but not more than fourteen (14). Directors must meet all of the qualifications of the Voting Member Class, as set forth in Article III of these Bylaws, and must be Voting Members of the Corporation. No more than four (4) members affiliated with a single medical practice may serve on the Board of Directors at any given time. If a change in practice affiliation of one or more Directors causes the number of Directors affiliated with a single medical practice to exceed four (4), then the practice shall have thirty (30) days to cause the resignation of Directors a sufficient number of Directors to restore compliance with this Section 2; otherwise the Board by vote of the disinterested Directors may cause the removal of the necessary number of Directors in accordance with Section 9 of this Article.

### **SECTION 3. ATTAINMENT AND TERM OF OFFICE.**

#### **A. Elected Directors.**

(1) Upon the regular expiration of the terms of Elected Directors, their successors shall be elected by the Voting Members at their annual meeting unless the Board of Directors determines that such election shall be held by mail ballot. An election by mail ballot shall be held prior to the date of the annual meeting, with the closing date for balloting set not more than fourteen (14) days and not less than seven (7) days before the date of the annual meeting. Ballots shall be mailed to Voting Members not less than twenty-one (21) days prior to the closing date. A mail ballot may be delivered by the Corporation to a Voting Member, and returned by a Voting Member to the Corporation by personal delivery, U.S. Mail, facsimile, or electronic mail. Regardless of delivery method, ballots must be actually received by the Corporation on or prior to



the closing date fixed for the election in order to be counted. Notwithstanding the foregoing, a mail ballot shall be canceled and the election held at the annual meeting if twenty-five percent (25%) of the Voting Members file a written objection to the mail ballot at least seven (7) days prior to the closing date.

(2) Vacancies otherwise occurring in the offices of Elected Directors, including vacancies created by an enlargement of the Board, shall be filled by appointment by the Board of Directors. Any person so appointed to fill a vacancy shall serve until the next regular election of Elected Directors, as described in paragraph (1) of this subsection.

(3) The Elected Directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, each consisting of one-third of the whole number of Elected Directors; provided, however, that if the total number of Directors is not divisible by three, then the first class, or the first and second classes, as the case may be, shall consist of one less than the number of Directors in the third class, or in the second and third classes, as the case may be. At each annual election, successors to the class of Directors whose term shall expire that year shall be elected to hold office for a term of three years, so that the term of office of one class of Directors shall expire in each year. In the event new Elected Directorships are created, terms shall be assigned to such seats in a manner that preserves, to the extent possible, the class structure of the Elected Director terms. In the event of any dispute concerning the assignment of terms among two or more Elected Directors, such terms shall be assigned by lot. Each Elected Director of the Corporation shall hold office until he or she is removed as provided below or until such Director's successor is elected and qualified.

B. **Ex-Officio Directors.** The President of the Corporation, upon vacating the office, shall become an Ex-Officio Director unless: (i) the President has been removed from office for cause; (ii) the outgoing President declines the Ex-Officio Directorship; or (iii) the outgoing President has an unexpired term as an Elected Director and chooses to fulfill that term, in which case such person shall become an Ex-Officio Director upon the completion of his or her term as an Elected Director if such person otherwise remains eligible to serve as an Ex-Officio Director in accordance with the last sentence of this subsection. A vacancy in an Ex-Officio Directorship shall not be filled by the Board or otherwise. Each Ex-Officio Director shall serve until such time as succession to the office of President creates two Past Presidents of more recent tenure than such Director.

**SECTION 4. REGULAR MEETINGS.** The Board of Directors shall hold such regular meetings as it determines appropriate for conducting the business of the Corporation; provided, however, that the Board of Directors shall hold at least one meeting in each calendar quarter. The Board of Directors may provide, by resolution, the time and place for holding of regular meetings without notice other than such resolution. Each Director must attend no less than three regular meetings of the Board of Directors annually and shall not be absent from three consecutive and properly-noticed regular meetings, and failure to meet such attendance requirements shall constitute grounds for removal.

**SECTION 5. SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place in the Chicago metropolitan area as the place for holding any special meeting of the Board of Directors called by them.

**SECTION 6. NOTICE.** Notice of any special meeting of the Board of Directors shall be given at least seven (7) days prior thereto by written notice to each Director at his or her business address. Such notice shall be deemed to be delivered (i) if mailed, on the second business day following deposit in the United States mail so addressed, with postage thereon prepaid; (ii) if delivered personally, when so delivered; (iii) if sent by electronic mail or facsimile, on the first business day following the transmission of the notice; or (iv) by recognized overnight delivery service, when deposited with the delivery service with overnight delivery charges prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, unless the Director is present for the express purpose of objecting to the sufficiency of notice.

**SECTION 7. QUORUM.** Fifty percent of all Directors then in office shall constitute a quorum for transaction of business at any meeting of the Board of Directors; provided that if less than fifty percent of such Directors are present at said meeting, a majority of the Directors present may adjourn the meeting to any other time without further notice. A Director shall be present at a meeting if he or she attends in person or participates by video or audio conference as provided in Section 10 of this Article.

**SECTION 8. MANNER OF ACTING.** Subject to the powers reserved to the Members in Article III hereof, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Corporation, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

**SECTION 9. RESIGNATION AND REMOVAL OF DIRECTORS.** A Director may resign at any time upon written notice to the Board of Directors. A Director may be removed as follows: (i) by action of the Members with or without cause; provided, however, that no Director shall be removed at a meeting of Members unless the notice of such meeting shall state that a purpose of the meeting is to vote upon the removal of one or more Directors named in the notice, and only the named Director or Directors may be removed at such meeting; or (ii) by vote the Board of Directors in the event that the Director (A) has been indicted or convicted of a felony or any act of dishonesty against the Corporation; (B) no longer meets the qualifications set forth in these Bylaws; or (C) fails to attend meetings as required by Section 4 of this Article. Vacancies resulting from resignation or removal of one or more Directors shall be filled in accordance with Section 3.A of this Article.

**SECTION 10. ACTION BY WRITTEN CONSENT OR TELEPHONE CONFERENCE.**

A. Unless specifically prohibited by the Articles of Incorporation, any action required or permitted to be taken at a meeting of the Board of Directors, or of a committee thereof,

may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof, or by all of the members of such committee, as the case may be. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors (or committee members, as the case may be). All the approvals evidencing the consent shall be filed in the corporate records. The action taken shall be effective when all the Directors (or committee members, as the case may be) have approved the consent unless the consent specifies a different effective date. Any consent signed by all of the Directors or all the members of the committee shall have the same effect as a unanimous vote, and may be stated as such in any document filed with the Secretary of State or anyone else.

B. Unless specifically prohibited by the Articles of Incorporation, Directors (and committee members) may participate in and hold a meeting by video or audio conference, provided that such conference technology permits all Directors (or committee members, as the case may be) participating in such meeting to hear each other and be heard. Participation in such meeting shall constitute attendance and presence in person at such meeting, unless a Director (or committee member) participates in the meeting for the express purpose of objecting to the sufficiency of notice therefor.

**SECTION 11. COMPENSATION AND REIMBURSEMENT.** By resolution from time to time of the Board of Directors, the Corporation may (i) establish and pay reasonable compensation to Directors for services rendered or to be rendered to the Corporation and (ii) pay Directors their direct out-of-pocket expenses, if any, of attendance at each meeting of the Board or in carrying out their duties as Directors. No such compensation or reimbursement shall preclude any Director from serving the Corporation in a capacity other than as a Director and receiving compensation therefor.

**SECTION 12. PRESUMPTION OF ASSENT.** A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

## **ARTICLE VI** **OFFICERS**

**SECTION 1. NUMBER AND QUALIFICATIONS.** The Officers of the Corporation shall be a President, a Vice President, an Executive Director, a Treasurer and such other Officers as the Board of Directors deems necessary or desirable. The President, Vice President, Treasurer, and (if elected) Secretary (the “Elected Officers”) shall be incumbent Directors, and the election of a Director to an Elected Office shall not serve to extend such person’s term as a Director. The

holders of any other offices shall meet such qualifications as the Board of Directors may establish from time to time. No two offices may be held by the same person concurrently.

## **SECTION 2. ELECTION AND TERM OF OFFICE.**

A. The Elected Officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors subsequent to the annual meeting of the Members. Vacancies in the Elected Offices may be filled by the Board of Directors at any meeting. The President and Vice President shall each serve a maximum of two (2) consecutive annual terms, and then shall pass at least one year out of office before being eligible to serve in such office again. The Secretary (if elected) and Treasurer may serve any number of consecutive annual terms. Each Elected Officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any Elected Officer may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation would be served thereby. Election of an Officer shall not of itself create any contractual relationship between the Corporation and such Officer.

B. All other Officers of the Corporation shall be appointed by and serve at the pleasure of the Board, subject to any limitations created by a contractual agreement between the Corporation and such person, or between the Corporation and such person's employer.

**SECTION 3. POWER OF OFFICERS.** Each Officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth therein, such powers and duties as are commonly incident to his or her office and such duties and powers as the Board of Directors shall from time to time designate. All Officers shall perform their duties subject to the directions and under the supervision of the Board of Directors. The President may secure the fidelity of any and all Officers by bond or otherwise.

**SECTION 5. PRESIDENT.** The President shall preside at all meetings of the Members and the Board of Directors, and shall carry out such other duties as the Board of Directors may from time to time prescribe. The President may also serve as an ex-officio member of all committees of the Board, as required. The President shall possess the same authority as the Executive Director to sign all certificates, contracts, and other instruments of the Corporation which may be authorized by the Board of Directors.

## **SECTION 6. VICE PRESIDENT.**

A. The Vice President shall, in the absence of the President preside over meetings of the Board of Directors and shall perform such other duties as may be delegated from time to time by the Board of Directors. In the absence of the President or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions normally imposed upon the President. Except in those instances in which the authority to execute is expressly delegated to another Officer or agent of the Corporation or a different mode of execution

is expressly prescribed by the Board of Directors or these Bylaws, the Vice-President may execute for the Corporation any certificates, contracts, or other instruments which the Board of Directors has authorized to be executed.

B. The Vice-President shall be the presumptive President-elect; provided, however, that the election of the President at all times shall be at the discretion of the Board of Directors.

**SECTION 7. THE TREASURER.** The Treasurer shall be the principal accounting and financial officer of the Corporation. The Treasurer shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Corporation; (b) have charge and custody of all funds and securities of the Corporation, and be responsible therefor and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors may determine.

**SECTION 8. THE SECRETARY.**

A. The Board may, but shall not be required to, fill the office of Secretary. If filled, the Secretary shall have the duties prescribed in this Section. If the office is not filled, any mandatory duties of a corporate secretary under law shall be filled by the Vice President, and any document, instrument or certificate required by law to be executed by the Secretary shall be executed by the Vice President, as Acting Secretary.

B. The Secretary shall have the authority to certify as true and correct any original or copy of these Bylaws, any amendments thereto, resolutions of the Members, resolutions of the Board of Directors, resolutions of any committees of the Corporation, and any other documents of the Corporation. The Secretary shall: (a) record the minutes of the Members' and of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post-office address of each Member which shall be furnished to the Secretary by such Member; (e) sign with the President, or a Vice-President, or any other Officer thereunto authorized by the Board of Directors, and any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, according to the requirements of the form of the instrument, except when a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws; and (f) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

**SECTION 9. EXECUTIVE DIRECTOR.** The Corporation at all times shall have an Executive Director, who need not be a Member or Director. The Executive Director shall be the chief operating officer and shall have general and active management of the business of the

Corporation, shall see that all orders and resolutions of the Board of Directors are carried into effect, and shall be an ex-officio Director (without vote) of the Corporation. The Executive Director may also serve as an ex-officio member of all committees of the Board, as required. The Executive Director shall have the authority to sign all documents and instruments required by law to be signed by the Executive Director of the Corporation, and shall otherwise possess the authority to sign all certificates, contracts, and other instruments of the Corporation, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other Officer or agent of the Corporation. The Executive Director shall be one of the Officers who may sign checks and drafts of the Corporation.

**SECTION 10. MEDICAL DIRECTOR.** The Board of Directors may appoint a Medical Director. The Medical Director shall be a Voting Member, but need not be a Director. The Medical Director shall be the chair of the Corporation's Quality Committee, shall direct the Corporation's quality assurance and clinical integration programs, and shall have such other powers and duties as may be assigned to him or her from time to time by the Board of Directors.

**SECTION 11. OTHER OFFICERS.** The Board of Directors from time to time may create and fill such other offices, including but not limited to assistant treasurer, assistant secretary, or assistant executive director, as it deems necessary or desirable to the purposes and activities of the Corporation. Such Officers need not be Members or Directors, and shall have the duties prescribed by the Board of Directors.

**SECTION 12. REIMBURSEMENT.** By resolution of the Board of Directors, the Officers may be paid their direct out-of-pocket expenses in carrying out their duties as Officers. No such reimbursement shall preclude any Officer from serving the Corporation in any other capacity and receiving compensation therefor.

## **ARTICLE VII**

### **COMMITTEES AND COMMISSIONS**

**SECTION 1. COMMITTEES OF DIRECTORS.** The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees. The voting membership of each committee shall consist of Voting Members, including at least one Director. Except to the extent expressly provided in the resolution creating such committee, and not restricted by law, no Committee shall have or exercise the authority of the Board of Directors in the management of the Corporation; and the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law.

**SECTION 2. COMMISSIONS OF MEMBERS.** The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more commissions. The membership of each commission shall consist of Members of the Corporation, but need not include any Directors. A commission may not act on behalf of the Corporation nor

bind it to any action but shall act solely in an advisory capacity to make recommendations to the Board of Directors or to the Officers of the Corporation.

**SECTION 3. TERM OF OFFICE.** Each member of a committee or a commission shall continue as such until the next annual meeting of the Board of Directors and until his or her successor is appointed, unless the committee or commission shall be sooner terminated, or unless such member be removed from such committee or commission by a majority of the Board of Directors, or unless such member shall cease to qualify as a member thereof.

**SECTION 4. CHAIRMAN.** The Board of Directors shall appoint one member of each committee or commission as chairman.

**SECTION 5. VACANCIES.** Vacancies in the membership of any committee or commission may be filled by appointments made in the same manner as provided in the case of the original appointments.

**SECTION 6. QUORUM.** Unless otherwise provided in the resolution of the Board of Directors designating a committee or commission, a majority of the whole committee or commission shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee or commission.

**SECTION 7. RULES.** Each committee or commission may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors. Each committee or commission shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

**SECTION 8. EXECUTIVE COMMITTEE.** The Executive Committee shall constitute a standing committee of the Corporation. During intervals between meetings of the Board of Directors, the Executive Committee shall possess and may exercise all of the powers of the Board of Directors, except the power to recommend to Members any action requiring Members' approval. The Executive Committee shall be composed of the President, not less than two other Directors (elected to the Executive Committee by the Board of Directors), and the Executive Director, *ex officio* and without vote. The elected members of the Executive Committee shall serve at the pleasure of the Board of Directors but not beyond the expiration of their terms of office as Directors. The President shall be chair of the Executive Committee. Meetings of the Executive Committee shall be held at the call of the chair or two members of the Executive Committee. One-half of the members of the Executive Committee shall constitute a quorum, and the acts of a majority of members present at any meeting at which a quorum shall be present shall be the acts of the Executive Committee. Vacancies in the Executive Committee shall be filled from and by the Board of Directors. All business transacted by the Executive Committee shall be reported to the Board of Directors at its next regular meeting.

**SECTION 9. NOMINATING COMMITTEE.** The Board of Directors shall appoint a Nominating Committee comprised of at least four (4) members, who may be (but need not be) Directors. The Nominating Committee shall be responsible for the preparation of a slate of

nominees to be elected by the Voting Members of the Corporation to fill expired or vacant unexpired terms of the Board of Directors.

**SECTION 10. CREDENTIALING COMMITTEE.** The Credentialing Committee shall constitute a standing committee of the Corporation. The Credentialing Committee shall comprise at least four (4) members appointed by the Board of Directors. The Credentialing Committee shall be responsible for developing and implementing all credentialing and recredentialing requirements, and, to the extent delegated by the Board of Directors, shall have final approval of physicians who shall participate in the Corporation's provider network. In addition to being governed by these Bylaws, the Credentialing Committee is additionally governed by the Credentialing and Recredentialing Policies and Procedures of the Corporation.

**SECTION 11. QUALITY COMMITTEE.** The Quality Committee shall constitute a standing committee of the Corporation. The Quality Committee shall comprise at least four (4) members appointed by the Board of Directors, including the Medical Director who shall be the chair of the committee. The Quality Committee shall oversee the Corporation's Clinical Integration Program and, in that capacity, shall, among other things (i) recommend to the Board of Directors the Quality Initiatives to be implemented as required elements of the Clinical Integration Program and (ii) recommend to the Credentialing Committee termination of Members who have fallen below the performance thresholds set by the Quality Committee.

**SECTION 12. CONTRACTING COMMITTEE.** The Board of Directors may appoint a Contracting Committee comprising at least four (4) members. If appointed, the Contracting Committee shall advise the Executive Director on the Corporation's managed care contracting strategy.

## **ARTICLE VIII**

### **CONFLICTS OF INTEREST**

**SECTION 1. CONFLICT OF INTEREST.** A conflict of interest shall be defined, for purposes of these Bylaws, as a transaction involving remuneration or benefit to a Director or Officer or to an organization in which such Director or Officer has a material financial interest or of which the Director or Officer is a member, officer, director, general partner, principal or controlling stockholder.

**SECTION 2. POLICY REGARDING CONFLICTS OF INTEREST.** The Corporation shall not enter into any transaction involving a conflict of interest unless the following shall have occurred:

A. The interested Director or Officer has made full disclosure to the Board of Directors of the material facts of the transaction and the Director or Officer's interest or relationship.



B. The Board of Directors has determined that the transaction is fair to the Corporation at the time it is authorized, approved or ratified.

C. The transaction is approved by the affirmative vote of a majority of disinterested Directors.

D. No interested Directors participated in the vote to approve the transaction.

**SECTION 3. DISCLOSURE.** Every Director and Officer shall be required to disclose fully any conflict of interest.

## **ARTICLE IX**

### **CONTRACTS, LOANS, CHECKS, AND DEPOSITS**

**SECTION 1. CONTRACTS.** The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

**SECTION 2. LOANS.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and ratified by a majority of the Voting Members. Such authority may be general or confined to specific instances.

**SECTION 3. CHECKS, DRAFTS, ETC.** All checks, drafts or other orders for the payment of money, notes or other evidences or indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President, the Executive Director or a Vice-President of the Corporation.

**SECTION 4. DEPOSITS.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

## **ARTICLE X**

### **BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of such individuals.

**ARTICLE XI**  
**FISCAL YEAR**

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors, or in the absence thereof, the fiscal year shall be coincidental with the fiscal year of the Corporation established for federal income tax purposes.

**ARTICLE XII**  
**SEAL**

The corporation seal shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Illinois." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reduced, provided that the affixing of the corporate seal to an instrument shall not give the instrument additional force or effect, or change the construction thereof, and the use of the corporate seal is not mandatory.

**ARTICLE XIII**  
**WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

**ARTICLE XIV**  
**INDEMNIFICATION OF OFFICERS,  
DIRECTORS, EMPLOYEES AND AGENTS**

**SECTION 1. INDEMNIFICATION.** The Corporation shall indemnify its Officers, Directors, employees and agents to the fullest extent permitted by the Act; provided, however, that the indemnification provided by or granted pursuant to the Act shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of Members or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in any other capacity while holding such office. The indemnification shall continue as to a person who has ceased to be a Director, Officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

**SECTION 2. LIABILITY INSURANCE.** The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer,

employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent 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 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 XIV.

## **ARTICLE XV** **AMENDMENTS**

The Bylaws of the Corporation may be altered, amended or repealed only by the adoption of a resolution approved by the Board of Directors and ratified by a majority of the Members of the Corporation. The Bylaws may contain any provisions for the regulation and management of the affairs of the Corporation not inconsistent with law or the Articles of Incorporation.