

**AMENDED AND RESTATED BY-LAWS
OF
UNIVERSITY PHYSICIAN ASSOCIATES
OF NEW JERSEY, INC.,
A NON-PROFIT CORPORATION**

**ARTICLE I
THE CORPORATION**

Section 1. Name.

The name of the Corporation is UNIVERSITY PHYSICIAN ASSOCIATES OF NEW JERSEY, INC., a non-profit corporation, and it shall be referred to throughout these By-Laws as the "Corporation" or "UPA".

Section 2. Purposes.

The purposes of the Corporation are: to facilitate medical education at Rutgers, The State University ("Rutgers" or the "University") through the operation and maintenance of services in support of the patient care activities of the faculty of the Rutgers - New Jersey Medical School (the "School" or "NJMS"), at the NJMS Campus (as defined below) and at other NJMS-approved locations; to improve and facilitate communications among clinical faculty members, the University and the Corporation; to maximize the potential for recruiting and retaining exemplary faculty members for the School; to remain competitive with other medical schools in order to continue and to extend the high degree of excellence in the pursuit of academic and clinical education; to advance research and patient care at the School, the Campus, University Hospital and its related or successor entities (the "Hospital"), at other University – affiliated hospitals and at other NJMS-approved locations; to ensure the provision, as appropriate, of medical care to all persons in need of such care; to promote high quality medical care for the benefit of all persons suffering from illness; to take an active part in the planning for and the promotion of the general mental and physical health of the community; to develop a unified structure for the clinical practice activity of all full-time faculty members of the School; and to provide for a responsive and cost-effective administrative organization and information system as a means of ensuring high-quality management and accountability.

The Corporation is organized exclusively for charitable, scientific and educational purposes as a non-profit corporation under the New Jersey Nonprofit Corporation Act and its activities shall be conducted in pursuit of the aforesaid purposes and the purposes set forth in its Certificate of Incorporation and in such manner that no part of its net earnings shall inure to the benefit of any officer or other private individual. The foregoing shall not be construed to prevent the Corporation from authorizing the payment of reasonable amounts for services rendered or expenses incurred in carrying out the Corporation's exempt purposes.

Section 3. Definitions.

A. "Academic base salary" is the salary component paid to faculty members for teaching, research (both basic and applied), academic service (*i.e.*, committee work, curricular development and other assignments), professional growth and direct services rendered to those medically indigent patients at University-affiliated and/or operated facilities for which no direct reimbursement is received from any source. The academic base salary consists of the salary within the appropriate salary range. The academic base salary does not include compensation derived from billings for direct patient care.

B. "Board" or "Board of Directors" shall mean the Board of Directors of the Corporation, as further detailed in Article III below.

C. "Campus" shall mean collectively, the School, Hospital, other School – affiliated hospitals, the Doctors Office Center (the "DOC"), Ambulatory Care Center, the NJMS-UH Cancer Center (the "Cancer Center"), and any other practice location approved by the Dean. The University, the School and UPA agree that all present and future NJMS, UPA, Hospital, and/or other University – affiliated clinical sites (e.g., satellite locations), sponsored or supported by any of them or one of their subsidiary units and not wholly or majority-sponsored by another University clinical campus are also to be considered part of the "Campus," including, without limitation, the NJMS-related sites at Behavioral Health Sciences Building ("BHSB").

D. "Chair" is the Chairperson of the Clinical Department of the School in which a faculty member has his or her primary appointment.

E. "Dean" is the Dean of NJMS.

F. "Department" or "Clinical Department" shall mean each of the clinical departments within NJMS as are currently existing or hereafter established. If another Department is established, the same shall thereafter be included in the term "Department" or "Clinical Department" as those terms are used in these By-Laws.

G. "Division" is a functional division within a Department. Divisions may be formed by the Department Chair, subject to the Board of Directors approval. Further, the Chair will notify the Corporation when a Participant is assigned to a Division. A new Division may also be formed by Participants within a Department, subject to approval from the Department Chair and the Board of Directors. To the extent that the revenue and expenses from the Division are shared amongst its member/Participants, those Division Participants must adopt a formula for such distributions and allocations of expenses in accordance with the Rules and Regulations, provided that in all cases, the Division formula must not conflict with, and shall be subordinate to, the Department formula. Further, the Division formula must not violate any provision of these By-Laws, the Affiliation Agreement, the Rules and Regulations, or any federal, state or local law, rule or regulation regarding the allocation of expenses and revenues from medical services. After the initial Division formula is adopted, prior to the adoption or confirmation of any subsequent Division formula, each Division will be reviewed by its Department to determine whether the Division continues to be functionally necessary and appropriate.

H. "Full-time faculty" are members of the faculty of the School who receive payments from the University which equal or exceed fifty percent (50%) of the academic base salary of their respective academic ranks.

I. "Group" is defined as two or more Participants within the same Department that determine to share their revenues and expenses within the Department amongst each other based upon an agreed upon Group formula. Participants choosing to form a Group shall so notify the Department Chair, and must then vote upon a Group formula as prescribed by these By-Laws and the Rules and Regulations. In all cases, the Group formula must not conflict with, and shall be subordinate to, the Department formula. Further, the Group formula must not violate any provision of these By-Laws, the Affiliation Agreement, the Rules and Regulations, or any federal, state or local law, rule or regulation regarding the allocation of revenues from medical services.

J. "Inter-Departmental Program" is defined as a Program comprised of two or more Participants from two or more Departments. The Dean must approve the creation of an Inter-Departmental Program, and will approve the chair of the Inter-Departmental Program (the "Program Chair"). The Program Chair, in that capacity, shall not have a seat on the Board of Directors. To the extent that the revenue and expenses from the Inter-Departmental Program are shared amongst its member/Participants, those Inter-Departmental Program Participants must adopt a formula for such distributions and allocations of expenses in accordance with the Rules and Regulations, provided that in all cases, the Inter-Departmental Program formula must not conflict with, and shall be subordinate to, the formula adopted by the subject Participants' Departments of primary appointment. Further, the Inter-Departmental Program formula must not violate any provision of these By-Laws, the Affiliation Agreement, the Rules and Regulations, or any federal, state or local law, rule or regulation regarding the allocation of expenses and revenues from medical services.

K. "Mailing" or "by mail" or "written notice" or "notice" to be given hereunder to faculty members, Participants, Directors, officers, Departments, Divisions, Groups, Inter-Departmental Programs, Committee members, Chairs, Program Chairs or otherwise may be effected by mail sent through the United States Postal Service or by electronic mail or similar electronic system for communicating to such persons by the Corporation.

L. "Part-time faculty" are members of the faculty of the School who receive payments from the University which are less than fifty percent (50%) of the academic base salary for their respective academic ranks.

M. "Participants" are School faculty members who are required to or permitted to participate in the Plan.

N. "Plan" means the School's faculty practice program organized and managed by UPA, pursuant to which Participants submit charges for patient care services to UPA, and UPA handles the billing and collection of these charges. The Plan is a University-approved program.

O. "Voluntary faculty" are members of the faculty of the School who receive no academic salary from the University.

P. "Vote" or "Voting" may be done by paper ballot, voice vote (if required as provided in these By-Laws), or by an electronic or other system of voting adopted by the Corporation from time to time.

ARTICLE II **PARTICIPANTS**

Section 1. Participants.

All Full-time Faculty who engage in the professional care of patients shall be required, as a condition of employment, to participate in the Plan for billing for such services at all locations.

Full-time faculty engaged in patient care services will render patient care services exclusively on Campus or at other sites, each as approved by the Dean of the School.

As required by the appointment letter or employment contract between the University and a faculty member, all Part-time and Voluntary Faculty members shall be required to participate in the Plan with respect to patient care services rendered or originated at the Hospital, the DOC, the Ambulatory Care Center, the Cancer Center, the BHSB, and all other NJMS - or UPA-owned, affiliated and/or operated facilities or sites or other locations assigned by the Dean, except as follows: (i) Voluntary and Part-time faculty shall not be required to participate in the Plan with respect to patient care services which are not rendered on the Campus; (ii) Voluntary faculty members are not required to participate in the Plan with respect to patient care services rendered by the Voluntary faculty members to private patients subsequently treated by them on the Campus; and (iii) other exceptions approved by the Board of Directors and the Dean of the School.

Any licensed clinical practitioner with an M.D., D.O., Ph.D. or equivalent degree, who practices on the Campus, must hold an NJMS faculty appointment. Non-faculty members may be considered for participation in UPA upon approval of the Board of Directors. However, since certain non-faculty members seeking to participate in UPA are not covered by the University's self-insurance trust fund, such non-faculty participants in UPA shall be required to obtain professional liability insurance with terms and coverage limits acceptable to UPA. Licensed clinical practitioners holding D.D.M. or D.D.S. degrees who practice on the Campus, whose primary faculty appointment is at New Jersey Dental School, can be exempt from participation in the Plan if the Dean of NJMS and the Dean of New Jersey Dental School agree, and UPA receives written notice of such exemption.

Persons who hold "temporary" faculty member appointments from NJMS will be treated as faculty members of NJMS for purposes of the Plan, and these persons will be considered faculty members and will be required to participate in the Plan to the same extent as permanent faculty members, except that they will not be eligible to vote or to serve as Directors or officers of UPA.

Part-time faculty and Voluntary faculty are encouraged to and may become Participants for activities not mandated to be billed through UPA upon receiving approval of the Dean of the

School, who will make a determination after receiving recommendations from the Chair and the Board of Directors.

No one may participate in the Plan who is not a School faculty member except as provided in the following paragraphs. Termination or suspension of a faculty appointment in the School will result in simultaneous termination or suspension of subsequent participation in the Plan.

Persons who are not faculty members of NJMS may contract with UPA for UPA to provide administrative services to such persons, on terms approved by the Board of Directors, so long as the terms of those arrangements do not jeopardize UPA's tax-exempt status.

Persons who are faculty members of the University, but not NJMS faculty members, must participate in the Plan (in addition to any other faculty practice plan in which they are obligated to participate) unless the Deans of NJMS and the other University school agree to an exception, which is then approved by the Corporation's Board of Directors, on terms agreed to for bi-annual periods.

Section 2. Voting Participants.

A. Certain Participants in the Corporation shall be classified as Voting Participants. A Voting Participant is a Full-time faculty Participant who has rendered patient care services on the Campus and has (i) billed a minimum of \$50,000 in charges or (ii) collected more than \$10,000 for patient care services, through the Plan during the twelve (12) month period immediately preceding the Designated Date (as defined below).

Within each Participant's Department, a Participant shall be deemed a "Voting Participant" for a Division or Inter-Departmental Program (or multiple Divisions or Inter-Departmental Programs) vote within the subject Division or Inter-Departmental Program, for such issues as Division or Inter-Departmental Program distributions, Division or Inter-Departmental Program formulae, and/or Division or Inter-Departmental Program fund expenditures, provided that the subject Full-time Faculty Participant has rendered patient care services through that Division or Inter-Departmental Program on the Campus and has (i) billed a minimum of \$25,000, or (ii) collected more than \$5,000 for patient care services, in the last twelve (12) month period ending June 30, through the subject Division or Inter-Departmental Program. By way of example, if a Participant in the Corporation bills \$100,000 within his Department, \$50,000 within his Division, and \$20,000 within an Inter-Departmental Program, then for purposes of the Department and Division, the subject Participant is a Voting Participant; however, the same Participant is not a Voting Participant within the Inter-Departmental Program. For the avoidance of doubt, any member of a Group shall be a "voting" member for purposes of adopting a Group Formula.

The Designated Date for purposes of determining the number of Board representatives allocated to each Department shall be June 30 of any given year. All Voting Participants who are or were members of a Clinical Department as of the 30th day of June immediately preceding the vote to elect Board representatives shall be included for the purpose of calculating the number of Board representatives allocated to a Department (regardless of whether such

individual is a faculty member at the time voting occurs), and in no event shall Participants who may become Full-time faculty members after June 30 be included in such calculation.

The Designated Date for purposes of determining who may cast a vote to elect Board representatives during the annual election of Directors and for determining who may cast a vote for Clinical Department formulae shall be June 30. For the avoidance of doubt, if as of the Designated Date a Participant was a Full-time faculty member, but subsequently became a Part-time faculty or Voluntary faculty member, or leaves the faculty entirely, prior to the date of the actual vote, that Participant shall not be a "Voting Participant" entitled to vote at the subject election.

The Designated Date for any other matter requiring Voting Participant vote shall be as determined by the Executive Committee (as such term is defined in Article IV hereof), from time to time.

Other Participants, Part-time faculty and Voluntary faculty shall not be entitled to vote on the election of Participant representatives to the Board of Directors or any other matters that may be submitted for a vote of Participants by the Board of Directors.

If a Participant is a member of more than one Clinical Department, then subject to the following sentence, for all matters on which a Participant may be considered for purposes of voting and representation, the Clinical Department of record at NJMS as the primary Clinical Department of appointment shall be the Voting Participant's Clinical Department. Notwithstanding the preceding sentence, if the Voting Participant meets the threshold set forth in Article II, Section 2, as a Voting Participant in more than one Clinical Department (e.g. the subject Participant bills at least \$50,000 in charges through the Plan in multiple Clinical Departments), then for purposes of any votes regarding formulae impacting each such Clinical Department, the subject Voting Participant may participate in multiple Clinical Departments' formulae and related votes.

If, at a meeting called for purposes of voting on any matter, the Voting Participants engage in substantive discussions prior to the subject vote, then any Voting Participant must have been present (whether in person or through other means by which they are able to hear and participate in the discussions) in order to be eligible to vote on the subject matter of those discussions. However, if a Voting Participant was not present during prior discussions, but (i) has reviewed the minutes from the prior discussions, and (ii) has certified that he or she has reviewed such minutes, then the subject Voting Member may then vote on the matter for which the meeting has been called. Further, if at the meeting called for a vote a Voting Participant not present at prior discussions requests further discussion at the meeting at which the vote is called, then the Voting Participants may engage in further discussions, following which the Voting Participant absent from prior discussions may participate in the vote.

B. Loss of Voting Rights.

A Voting Participant may lose his right to vote for all purposes hereunder if he is found to have violated his obligations as a Participant, whether pursuant to the Affiliation Agreement,

these By-Laws, or the Rules and Regulations. Such suspension or loss of voting rights shall be at the recommendation of the Review Committee, subject to confirmation or rejection by the Board of Directors.

Once a Voting Participant has lost his voting rights due to such a violation, such rights may only be reinstated by an affirmative vote of the Board of Directors, based upon a recommendation from the Review Committee to so reinstate such Participant's voting rights. If a Voting Participant so loses his voting rights, he shall no longer be counted for purposes of determining the number of Directors his Department is entitled to under Article III, Section 3, of the By-Laws unless and until such voting rights are reinstated.

If a Voting Participant loses his voting rights for (e.g.) purposes of electing Directors, such Participant shall also lose his voting rights at the Department level (whether for purposes of voting on Department Formulae or otherwise). Such disenfranchised Voting Participant shall not be entitled to participate in Department formulae or other voting matters unless and until his Voting Participant status is reinstated by an affirmative vote of the Board of Directors, as provided above.

Section 3. Election of Directors.

Voting Participants shall elect Participant representatives to the Board of Directors as set forth in Article III, Section 4.

Section 4. Annual Meeting of Participants.

An annual meeting of the Participants shall be held on such day as the Board of Directors establishes, at the hour designated by the President of the Corporation or the Board of Directors in the notice of the meeting. The purposes for which the annual meeting shall be held shall include: the verification of the election of representatives to the Board of Directors; the delivery of an annual management report of the Corporation by the outgoing President of the Corporation; the delivery of an annual financial report of the Corporation by the outgoing Treasurer of the Corporation; and such other purposes as may be prescribed by law, the Certificate of Incorporation, these By-Laws or as are specified by the Board of Directors. If an annual meeting is not held on the day provided for herein, a special meeting may be held in place thereof, and any business transacted or elections held at such special meeting shall have the same effect as if transacted or held at the annual meeting.

Section 5. Special Meetings.

Special meetings of the Participants may be called at any time by a majority of the Board of Directors or by written application of twenty-five (25) or more Voting Participants or the President of the Corporation or a designee of the President. Upon any such call or application, a special meeting shall be called by the Secretary, or in case of death, absence, incapacity or refusal of the Secretary, by any other officer. Such call or application shall state the day, hour, place and purpose of the meeting and shall be delivered to the Secretary or other officer calling the meeting not fewer than fourteen (14) days before the date of such meeting.

Section 6. Place of Meetings.

Meetings of Participants shall be held in the State of New Jersey, at such place or places fixed by the Board of Directors, or any party calling a special meeting as permitted by Section 5, as stated in the notice of the meeting.

Section 7. Notice of Meetings.

Written notice of each meeting of Participants stating the day, hour and place thereof and the purposes for which the meeting is being held shall be given by the Secretary or the President of the Corporation, not fewer than ten (10) nor more than sixty (60) days before the meeting, to each Participant, by (i) posting such notice conspicuously on the Campus, and (ii) leaving such notice with him or her or at his or her usual place of business, or by mailing it, postage prepaid, and addressed to such Participant at the Participant's usual or last known business or residence address. In case of the death, absence, incapacity or refusal of the Secretary or the President, such notice may be given by any other officer or by a person designated either by the Secretary or the President or by the person or persons calling the meeting or by the Board of Directors; provided, however, that no notice need be given to any Participant who either attends the meeting or who waives notice thereof by a writing which is filed with the minutes of Participant meetings.

Section 8. Quorum.

At any annual or special meeting of the Participants, a quorum for the transaction of business shall consist of twenty-five percent (25%) of the total number of Voting Participants, present in person or represented by proxy, but a lesser number may adjourn any meeting from time to time, and the meeting may be reconvened without further notice if a quorum is present in person or by proxy.

If during the course of the year following the Designated Date, a Department loses Participants, then upon petition to the Executive Committee, the Department or one of its Voting Participants can request a reduction in the number of Participants required for a quorum to conduct votes on formula, expense allocations and other matters coming before the Department during the year until the next Designated Date. To confirm the reduction in Participants, the Department representative shall provide to the Executive Committee the list of Participants that are no longer in the Department, which list is confirmed to be complete, current and accurate by the Dean's office, at least seven (7) days prior to any vote for which a reduced quorum is sought. If a Division or Inter-Departmental Program experiences a decline in membership during the course of a fiscal year, upon request from (i) the Chair or Program Chair of the impacted Division or Inter-Departmental Program, or (ii) a Voting Participant within that Division or Inter-Departmental Program, the Executive Committee shall have the discretion to consider a reduction in such Division's or Inter-Departmental Program's quorum requirements.

Section 9. Voting and Proxies.

Each Voting Participant shall be entitled to one (1) vote upon any question at any meeting of the Participants, which vote may be exercised in person or by proxy given to another Voting Participant, in writing, dated not more than five (5) days before the meeting named therein, which writing shall be filed with and approved by the Secretary before being voted. Such proxy shall entitle the holder thereof to vote at any adjourned session of such meeting solely on the issues specified in the proxy but shall not be valid after the final adjournment of such meeting.

Section 10. Action at Meeting.

When a quorum is present at any meeting, a majority of those Voting Participants present in person or by proxy, except as otherwise required by law, the Certificate of Incorporation or these By-Laws, may decide any question properly brought before such meeting.

Section 11. Action Without Meeting.

Any action to be taken by the Voting Participants may be taken without a meeting if all the Voting Participants required to vote in favor thereof consent to the action by a writing filed with the minutes of Participant meetings. Such consent shall be treated for all purposes as a vote at a meeting and may be so certified by the Secretary of the Corporation.

Section 12. Meeting Electronically.

Upon the request of any Participant, a Participant may “attend” a Department, Division, Inter-Departmental Program or Group meeting telephonically, by video or webcast conference or by any other real-time interactive medium, provided that all other Participants can hear the Participant attending “remotely” and such Participant can be heard by all Participants attending “in person.” For such accommodation for an individual Participant, the subject Participant shall provide to the Department Chair, Program Chair, or head of the Division or Group and a Departmental representative to the Board of Directors at least three (3) business days prior notice to allow for such accommodations to be coordinated.

Further, the entire Division, Inter-Departmental Program, Group or Department may, upon the approval of two-thirds (2/3) of the Participants within the subject Division, Inter-Departmental Program, Group or Department, agree to conduct telephone meetings or conduct meetings by video or webcast conference or by any other real-time interactive medium, provided that each Participant is able to fully participate and be heard by all other Participants during the subject meeting.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Responsibilities.

The properties and business of the Corporation shall be managed by a Board of Directors (each a "Director"), which may exercise all the lawful powers of the Corporation. Without limiting the generality of the foregoing, the Board of Directors shall be responsible for each of the following:

- (a) Entering into and maintaining an Affiliation Agreement with the University (the "Affiliation Agreement");
- (b) Assisting the School in its goal of maintaining quality patient care, medical education, and research;
- (c) Coordination with the University to ensure that the highest possible quality medical care is offered to all patients;
- (d) Establishment of the short and long-range objectives and goals of the Corporation;
- (e) Adoption of policies and programs reasonably calculated to achieve the established objectives of the Corporation, and to administer the Corporation;
- (f) Development of plans for the provision, development and improvement of medical services consistent with the needs of the community and for the advancement of medical and social science and practice generally;
- (g) Provision of administrative and fiscal services sufficient to ensure successful implementation of the aforementioned policies and programs;
- (h) Arrangement for acquisition and maintenance of physical plant and equipment for immediate and future needs of the Corporation;
- (i) Appointment, control and discharge of all employees, independent contractors and personnel, as may be required for the efficient administration and operation of the Corporation;
- (j) Maintenance of sound fiscal policies, including adoption of annual operating and capital budgets of the Corporation and management of endowments, and maintenance of audit and accountability programs;
- (k) Coordination of the supervision of all business affairs of the Corporation;
- (l) Preparation of periodic reports of the professional service and financial activities of the Corporation;

- (m) Supervision of the management and direction of the business, property and affairs of the Corporation;
- (n) Serve as the primary liaison and coordinator with the administrators and chief executive officers of the School, the University, any University-affiliated hospitals, and the DOC, as it relates to the Corporation's business;
- (o) Performance of such other duties as shall be necessary and in the best interests of the Corporation;
- (p) Arrangements for the collection of fees for services provided by Participants, and for the care and custody of the money, funds, valuable papers and documents of the Corporation;
- (q) Arrangements of endorsement for deposit or collection of all checks, notes, drafts and instruments for the payment of money, payable to the Corporation or to its order; and
- (r) Causing to be kept accurate books of account of all Participants' accounts receivable and monies received and paid by or on account of the Corporation.

Section 2. Powers.

In addition to and in furtherance of all powers conferred on them by law or by the Certificate of Incorporation, the Board of Directors, acting in the name and on behalf of the Corporation shall have the following powers:

- (a) To retain and hold for so long a time as the Board of Directors deems advisable, any real or personal property of any kind which the Corporation may receive from any source whatsoever notwithstanding that such property may not be included in what are generally considered proper investments for fiduciaries or may constitute a larger proportion of the property of the Corporation than is usually considered proper; provided, however, that such retention and holding is not in violation of any agreement to which the Corporation is a party;
- (b) To purchase real and personal property; to invest and reinvest the property of the Corporation; to sell at public or private sale, exchange, transfer, or grant options to purchase, the whole or any part of the property of the Corporation, real or personal, at any time held by it, upon such terms and conditions as the Board of Directors deems to be in the best interest of the Corporation, and to execute, acknowledge and deliver such deeds, contracts, or other instruments as the Board of Directors may deem necessary or advisable in connection with any such purchase, sale, exchange, option or transfer;
- (c) To determine whether any money or other property received by the Corporation shall be treated as principal or income, and to determine the extent to which expenses of the Corporation shall be borne as between principal and income; and this power shall include, without limitation, the power to determine, in case any

investment shall at any time be made in any bond or security for money at a premium or in a so-called wasting investment or in non-income producing property, whether and to what extent and in what manner any part of the actual receipts in respect of such bond, security, wasting investment, or non-income producing property shall be dealt with as principal or as income;

- (d) With respect to any security which is part of the property of the Corporation, to vote or grant proxies to vote such security, to take any action deemed appropriate in connection with any merger, consolidation, or reorganization and to exercise any conversion, subscription or other right pertaining to such security;
- (e) To lease, with or without option to purchase, any real estate at any time held by the Corporation, for such terms, and upon such provisions and conditions, as the Board of Directors shall determine; and to alter, repair, demolish, rebuild and improve any building which is at any time part of the property of the Corporation;
- (f) To borrow money on such terms as the Board of Directors may deem proper and to mortgage or pledge property, real or personal, of the Corporation to secure the same;
- (g) To invest in and retain for so long a period the Board of Directors deems appropriate, the shares, preferred or common, of investment companies or investment trusts, whether of the open-end or closed-end type, and without notice to anyone to participate in any common trust or pooled fund;
- (h) To invest such portion of the funds of the Corporation as the Board of Directors may from time to time determine in such securities as the Board of Directors, in its discretion, shall consider likely to result in future appreciation of principal, even though the securities so purchased may pay currently only a small dividend in proportion to their cost, or no dividend at all, and there is no reasonable prospect of a higher dividend rate, or of any dividend for an indeterminate or extended time in the future;
- (i) To invest such portion of the funds of the Corporation as the Board of Directors may from time to time determine in securities, the income from which is exempt from taxation though such securities would not normally or usually for any reason be considered proper investment for fiduciaries;
- (j) to adjust, settle, arbitrate, litigate or compromise any claim or claims of any nature payable to or made against the Corporation, including any claims for taxes, fines, legal fees and/or expert fees, court costs and expenses, upon any terms satisfactory to the Board of Directors, and where the subject claim is against a Clinical Department, Division, Inter-Departmental Program, Group or a Participant, to recover such monies from the Clinical Department's, Group's and/or Participant's disbursement otherwise allocated or due from the Corporation; and
- (k) to interpret these By-Laws and their implementation.

Section 3. Qualifications, Number and Term of Directors.

The membership of the Board of Directors shall be as follows:

(a) Each Clinical Department shall have at least one (1) Participant representative, each of whom shall be elected by the Voting Participants in accordance with Article III, Section 4 and the rules therefor established from time to time. To be eligible to serve as a Participant representative, the candidate must be a Voting Participant, and cannot be (i) a Chair, (ii) a Dean (whether an Assistant, Associate, Vice or Full Dean) of the School or any other University medical school, (iii) a Provost or Chancellor of the University, School or other University Biomedical and Health Sciences school, or (iv) a director, trustee, governor, or an officer holding the rank of vice president or higher of the University or any division of any school or college affiliated with the University. This representative shall serve for a two (2) year term. Clinical Departments may have additional representatives based upon the following criteria, provided that no Clinical Department shall have more than three (3) representatives in total, and the representatives elected pursuant to (i), (ii) and (iii) below shall each serve for only a one (1) year term:

(i) The three (3) largest Clinical Departments, based upon the number of Voting Participants, shall be entitled to one (1) additional Participant representative, who shall otherwise meet the requirements of the preceding sentence.

(ii) The four (4) largest Clinical Departments, based upon total Clinical Departmental collections in the prior fiscal year, shall be entitled to one (1) additional Participant representative, who shall otherwise meet the requirements of the first sentence of this Subsection (a).

(iii) If any one Clinical Department accounts for at least thirty-three (33%) percent of all Corporation's collections, then the Clinical Department shall be entitled to one (1) additional Participant representative, who shall otherwise meet the requirements of the first sentence of this Subsection (a), unless the subject Department already has three (3) representatives.

(b) The Dean of the School, ex officio;

(c) The Senior Vice President for Finance and Administration of the University or other designee of the University, ex officio;

(d) Three representatives who are Chairs of Clinical Departments elected by the Chairs of all Clinical Departments in accordance with Article III, Section 4;

(e) The Executive Director of the Corporation, ex officio;

(f) The immediate past President of the Corporation, should he or she not be re-elected to the Board of Directors, shall serve ex officio, without vote; and

(g) The President of the Medical-Dental Staff of the Hospital, ex officio, without vote.

If a new Clinical Department is created, the number of Participant representatives set forth in Article III, Section 3(a) hereof, shall be increased by one (1) additional Participant representative per new Department and that a Participant representative shall be elected to the Board of Directors from each new department in accordance with Article III, Section 4 and rules therefor established from time to time. Further the new Department may be entitled to more than one representative as prescribed in Article III, Section 3(a) (i), (ii) and/or (iii) above. If a Clinical Department is subsequently removed from the NJMS rolls as a “Clinical Department”, then the Participant representatives previously allocated to that Clinical Department in Article III, Section 3(a) shall be eliminated.

Section 4. Election.

Participant Representatives:

Directors described in Article III, Section 3(a) shall be Voting Participants in good standing (in compliance with the Plan) elected by Voting Participants through Clinical Department elections held in accordance with the rules and regulations (the “Rules and Regulations”) established by the Board of Directors, from time to time, for such elections. Each Clinical Department which is entitled to receive a seat on the Board of Directors shall be represented by at least one (1) Director described in Article III, Section 3(a).

The Directors that are mandated for each Department (not including additional Directors allocated to a Department pursuant to Section 3(a)(i), (ii) or (iii) above) shall serve in staggered terms so that one-half of the mandated Directors elected by the Voting Participants shall be elected annually, ensuring continuity on the Board of Directors. To the extent that a Department is entitled to more than one Director pursuant to allocations under Section 3(a)(i), (ii) or (iii) above, the Department candidate receiving the most votes in the subject election year shall be the candidate to sit for the two (2) year term, with other candidates serving for only a one (1) year term.

Elections shall be conducted in accordance with the Rules and Regulations.

Elected Participant representatives on the Board of Directors who are (i) designated Acting or Interim Chairs of their Department, or (ii) appointed to serve as an Acting or Interim Assistant or Associate Dean, during their term as Board members shall be permitted to complete their terms as elected Participant representatives of their Departments, subject to (x) confirmation as to an Acting or Interim Chair by Voting Participants within that Department within sixty (60) days following the appointment of the subject representative as Acting or Interim Chair, or (y) confirmation as to an Acting or Interim Assistant or Associate Dean by Voting Participants within that Department and affirmation by the Board of Directors, in each case within sixty (60) days following the appointment of the subject representative as Acting or Interim Chair or Acting Assistant or Associate Dean. The consideration by the Voting

Participants shall be overseen by the Corporation, and the Acting or Interim Chair/Assistant Dean/Associate Dean shall not participate in the discussion and/or the vote. If the Voting Participants reaffirm the election of the subject representative then he/she shall serve out the current term; and may then seek re-election¹ in the normal course. If, however, the Voting Participants do not reaffirm the election, then the newly appointed Acting or Interim Chair/Assistant or Associate Dean shall step down as the Department's elected representative to the Board of Directors, and within thirty (30) days' thereafter, a special election will be called for the Department to elect a replacement representative in the manner prescribed herein above in this Article III, Section 4. The foregoing reaffirmation will not apply to currently sitting Acting and/or Interim Chairs, or to currently sitting Acting or Interim Assistant or Associate Deans. If an Acting or Interim Chair, or Acting or Assistant or Associate Dean at the time of his/her appointment, is currently serving as an officer of the Company, he/she may complete the current term as officer subject to approval by a majority of the Board of Directors. At the conclusion of that then current term, the Acting or Interim Chair may seek re-election, or election to a new office, in the normal course as an officer of the Corporation. If the Board of Directors does not reaffirm the subject Acting or Interim Chair's or Acting or Interim Assistant or Associate Dean's role as an officer, then the office shall be deemed to be vacant, and a special meeting will be called to elect a replacement officer. Elected Participant representatives on the Board of Directors who are designated Chairs or Assistant or Associate Deans (permanent, not acting or interim) of their Departments during their term as Board members may not continue to serve as Participant representatives or officers after their designations as Chairs, and new Participant representatives will be elected by those Departments.

In the event a member of the Board of Directors is subsequently elected as an officer of the Corporation and such member is the sole representative of his/her Department, such Department shall be entitled to elect another Director to the Board for so long as the original member holds his/her officer position. The election of the supplemental Director shall be in compliance with the terms of these By-Laws and the Rules and Regulations. The supplemental Director shall be entitled to all rights, privileges and obligations as any other non-voting member of the Board of Directors.

Chairs Representatives.

Members of the Board of Directors elected to fill the positions prescribed in Article III, Section 3(e) shall be selected by vote of all Clinical Department Chairs in accordance with the Rules and Regulations for such elections established by the Board of Directors from time to time. These Members of the Board of Directors shall serve for a two year term

¹ If an Acting or Interim Chair or Acting Dean seeks election (or re-election) as a Departmental Representative, that Chair or Dean shall not participate in the vote, and the vote shall be overseen by the Corporation, and not the Acting or Interim Chair or Dean, as applicable.

Section 5. Resignation.

Any Director may resign by delivering or causing to be delivered to the Secretary of the Corporation a written resignation which shall take effect on being so delivered or at such other time as may be therein specified.

Section 6. Removal.

Any Director may be removed from office with cause by the vote of two-thirds of all the Directors then in office. For purposes of these By-Laws, "cause" shall include (a) malfeasance, embezzlement, fraud, gross negligence, willful inattention to a Director's duties, (b) failure to comply with the terms of the Affiliation Agreement, these By-Laws, or the Rules and Regulations of UPA, (c) for any Director except a Director ex-officio, more than five (5) absences (excused and/or unexcused) in any one calendar year from meetings of the Board of Directors, or (d) such other matters as the Board of Directors may determine. In the event the "cause" is failure to comply with the terms of the Affiliation Agreement, these By-Laws, or the Rules and Regulations of the Corporation, upon the investigation and report of the Review Committee that such cause is present, the Review Committee may then present its findings before the Board of Directors for a vote in accordance with this subsection.

If a petition is submitted to the Board of Directors, signed by two-thirds of the Voting Participants of a Clinical Department, seeking the removal of a Clinical Department's elected representative to the Board of Directors, such petition shall be accepted by the Board of Directors, pursuant to a majority vote of the Directors, as sufficient cause for the removal of the subject Director, and the Board of Directors shall act to remove the subject Director in accordance with this Section 6, and shall call for a special vote by the subject Clinical Department to elect a new representative to the Board of Directors, to be elected in accordance with Article III, Section 4, within forty-five (45) days of the Board of Directors' receipt of the petition.

Section 7. Vacancies.

Vacancies in the Board of Directors (except for ex officio members), however occurring, shall be filled by election in the manner set forth in Article III, Section 4 hereof, as quickly as possible. Any such successor Director so elected shall be of the same position (Voting Participant representatives of the same Clinical Department, or Chair Directors selected by the Dean of NJMS), and shall hold office for the same term and subject to the same terms and conditions as the Director whose position became vacant.

Vacancies in any ex officio member of the Board of Directors, however occurring, shall be filled by an appointee of the office, institution or entity by which the original member was placed. Such replacement shall be appointed as quickly as possible, and shall hold office for the same term, and subject to the same terms and conditions, as the ex officio Director whose position became vacant.

Section 8. Directors' Meetings.

Regular meetings of the Board of Directors may be held in such places at such times, not less than quarterly, as the Board of Directors may from time to time determine and fix; and, if so determined and fixed, no notice thereof need be given. A regular meeting of the Board of Directors may serve as the annual meeting of the Board of Directors.

Special meetings of the Board of Directors may be held at any time or place whenever called by the President of the Corporation and shall be called by the President upon the written request of five (5) or more Directors. Notice of the place, date, hour and purpose of any such special meeting of the Directors shall be given by the President, or at his or her request, by the Vice President or Secretary, to each Director at least seven (7) calendar days before such meeting. Special meetings may be held at any time without such notice if all Directors are present or if those not present execute a written waiver of notice before or after the meeting which is filed with the minutes of Board meetings.

Meetings of the Board of Directors shall be conducted in accordance with Robert's Rules of Order.

Unless determined otherwise by the Board of Directors in the interest of the Corporation, all meetings of the Board of Directors may be attended by Participants and representatives of the School and the University, who may (if properly recognized by the Board of Directors) participate in discussion but shall not be entitled to vote on matters brought before the Board of Directors.

Upon the request of any Director, a Director may "attend" a meeting telephonically, by video or webcast conference or by any other real-time interactive medium, provided that all other Directors can hear the Director attending "remotely" and such Director can be heard by all Directors attending "in person". For such accommodation for an individual Director, the subject Director shall provide to the Executive Director at least three (3) business days prior notice to allow for such accommodations to be coordinated.

Further, the Board of Directors may, upon the approval of two-thirds (2/3) of the Board of Directors, agree to conduct telephone meetings or conduct meetings by video or webcast conference or by any other real-time interactive medium, provided that each Director is able to fully participate and be heard by all other Directors during the subject meeting.

Section 9. Quorum.

A majority of the Directors then in office, present in person at the meeting, shall constitute a quorum for the transaction of business. Less than a quorum of the Directors, however, may adjourn any meeting from time to time and the meeting may be reconvened without further notice if a quorum is then present.

Section 10. Action at Meeting.

Except as otherwise required by law, the Certificate of Incorporation or these By-Laws, the action of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board of Directors.

All votes, except motions to approve minutes, to lay on the table or to adjourn shall be by secret ballot.

Section 11. Action Without Meeting.

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee elected or appointed by the Board of Directors may be taken without a meeting, prior or subsequent to such action, if all the Directors or all the members of any such committee required to vote in favor thereof consent to the action in writing and the consents are filed with the minutes of the meetings of the Board of Directors or of any such committee. Such consents shall be treated for all purposes as a vote at a meeting and may be so certified by the Secretary of the Corporation.

Section 12. Waivers of Notice of Meetings and Adjournments.

Notice of a meeting need not be given to any Director who signs a waiver of notice, whether before or after the meeting, or who attends the meeting without protesting the lack of notice of such meeting prior to the conclusion of the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the waiver of notice of such meeting. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourned and if the period of adjournment does not exceed ten (10) days in anyone adjournment.

Section 13. Voting Eligibility.

If, at a meeting called for purposes of voting on any matter, the Directors engage in substantive discussions prior to the subject vote, then any Directors must have been present (whether in person or through other means by which they are able to hear and participate in the discussions) in order to be eligible to vote on the subject matter of those discussions. However, if a Director was not present during prior discussions, but (i) has reviewed the minutes from the prior discussions, (ii) has certified that he or she has reviewed such minutes, then the subject Director may then vote on the matter for which the meeting has been called. Further, if at the meeting called for a vote a Director not present at prior discussions requests further discussion at the meeting at which the vote is called, then the Directors may engage in further discussions, following which the Director absent from prior discussions may participate in the vote.

ARTICLE IV
COMMITTEES

Section 1. Executive Committee.

The executive committee (the “Executive Committee”) shall be a standing committee of the Board of Directors and shall have as its members all officers of the Corporation. The functions and powers of the Executive Committee shall be to perform and implement policies of the Board of Directors and to execute and direct all operational and administrative matters concerning the Corporation on a day to day basis. Further, the Executive Committee shall be empowered to take action on other matters as may be prescribed by the Board of Directors from time to time.

Section 2. Finance Committee.

The finance committee (the “Finance Committee”) shall be a standing committee of the Board of Directors and shall have as its members Directors appointed by the Board of Directors. The functions and powers of the Finance Committee shall be to take such action with respect to the financial affairs of the Corporation as the Board of Directors may prescribe from time to time.

The Finance Committee shall form an audit subcommittee. The “Audit Subcommittee” shall be a standing subcommittee of the Finance Committee. The functions and powers of the Audit Subcommittee shall include assisting the Finance Committee in fulfilling its oversight responsibilities relating to the quality and integrity of the Corporation's accounting practices, and such other functions and powers as may be delegated to it by the Board of Directors and the Finance Committee from time to time.

Section 3. Review Committee.

The review committee (the “Review Committee”) shall be a standing committee of the Board of Directors and shall have as its members Directors appointed by the Board. The functions and powers of the Review Committee shall be to review and report on compliance with the Plan, exceptions to participation in the Plan, nominations and elections of officers of the Corporation, and other duties and powers as the Board of Directors may prescribe from time to time.

Without limiting the foregoing, the Review Committee shall have the power to pursue investigations of violations of the Corporation’s policies and procedures regarding billing, collections, use of Department funds and the like, and further to recommend to the Board of Directors the imposition of fines and to collect administrative and attorneys’ fees to pursue such investigations, in the manner further prescribed by the Corporation’s Rules and Regulations then in effect. For the avoidance of doubt, administrative fees shall include without limitation the time and expense incurred by UPA Committee and Board members to pursue the subject violation.

Section 4. By-Laws Committee.

The by-laws committee (the “By-Laws Committee”) shall be a standing committee of the Board of Directors and shall have as its members Directors appointed by the Board. The functions and powers of the By-Laws Committee shall be to review and report on recommended amendments and/or additions to the Certificate of Incorporation, By-Laws and/or the Rules and Regulations to reflect changes in the Corporation’s relationship with the University, the School and any University-affiliated hospitals, health care facilities, additions of new Clinical Departments, changes on or about the Campus, the Corporation’s operations and other matters as may be deemed advisable from time to time.

Section 5. Other Committees.

The Board of Directors may create such other committees with such duties and powers as the Board of Directors may deem appropriate to assist it in carrying on the business and furthering the purposes of the Corporation, and it may appoint Participants who are not Directors to serve on or consult with such committees.

Section 6. Appointment; Removal; Quorum; Vote; Reports.

Except as set forth herein, the members of a committee shall be as appointed by the Board of Directors. The Chair of a committee shall be as appointed by the President of the Corporation.

The President, with the consent of a majority of the Board of Directors, may;

- (a) fill any vacancy in a committee;
- (b) appoint one or more persons to serve as alternate members of any committee, to act in the absence or disability of members of any committee; or
- (c) at the request of the Chair of the Review Committee and/or the Finance Committee, appoint from time to time, an outside, non-Participant and non-voting member of the Finance Committee and/or the Review Committee to consult with the applicable Committee.

The Board of Directors, by resolution adopted by a majority of the entire Board of Directors, may:

- (i) abolish any committee, other than a standing committee, at its pleasure; or
- (ii) remove any member of any committee (except a Chair of a committee) at any time, with or without cause.

Without limiting the Board of Directors’ power to remove any committee members for cause, if any member of a committee fails to attend (i) three (3) consecutive meetings of the subject committee, or (ii) a majority of that committee’s meetings in any calendar year, then the committee’s Chair may submit a report to the Board of Directors regarding that committee

member's failure to attend the requisite meetings, which report shall be deemed sufficient cause for removal, and the Board of Directors may, at its next meeting following receipt of the Chair's report, vote to remove the subject committee member and shall promptly thereafter fill the vacancy in accordance with Subsection 7(a) above, by an affirmative vote of a majority of the Directors.

The Board of Directors, by resolution adopted by two-thirds (2/3) of the entire Board of Directors, may abolish a standing committee or remove a Chair of any committee.

A majority of each committee shall constitute a quorum for the transaction of business and the act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of such committee.

Each committee shall meet as frequently as deemed necessary by its Chair or the President. Interim actions taken at a meeting of any such committee shall be kept with the minutes of its meetings, and formal actions and/or recommended conclusions of each committee shall be reported to the Board of Directors for approval at the next meeting following such committee meeting, except that, when the meeting of the Board of Directors is held within two (2) days after the committee meeting, such report shall, if not made at the first meeting, be made to the Board of Directors at its second meeting following such committee meeting.

Committees of the Board of Directors shall meet at least one (1) time per quarter or as necessary. In the event committees fail to meet at least one (1) time per quarter, the President can request and/or convene a meeting of the committee.

Upon the request of any committee member, a committee member may "attend" a meeting telephonically, by video or webcast conference or by any other real-time interactive medium, provided that all other committee members can hear the committee member attending "remotely" and such committee member can be heard by all committee members attending "in person". For such accommodation for an individual committee member, the subject committee member shall provide to the committee chair at least three (3) business days prior notice to allow for such accommodations to be coordinated.

Further, an entire committee may, upon the approval of two-thirds (2/3) of the committee members, agree to conduct telephone meetings or conduct meetings by video or webcast conference or by any other real-time interactive medium, provided that each committee member is able to fully participate and be heard by all other committee members during the subject meeting.

ARTICLE V **OFFICERS AND ADMINISTRATION**

Section 1. Description; Nominations and Election; Bond.

The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be Directors. All officers shall be elected for two (2) year terms by

the Board of Directors from among the elected Voting Participant representatives as set forth in Article III, Section 3(a) at a meeting of the Board of Directors prior to the annual meeting of Participants. If tenure as Director expires in the year preceding natural expiration of the officership, said officer shall continue as a member of the Board of Directors until the natural expiration of the officer's term.

Nominations for an office must be submitted in writing or by e-mail to the Executive Director of the Corporation. To be eligible for nomination, the proposed candidate must have served for at least one year on the Board of Directors, which need not be the year immediately preceding the candidate's nomination. The Executive Director shall obtain the acceptance of the nominee before placing the name on the ballot. Nomination, confirmation of qualification and acceptance of the nomination are required at least one week prior to the election. Ballots for the election of officers shall be prepared by the Executive Director and distributed to the Board of Directors. The Executive Director and one witness shall collect and tabulate all ballots and advise the Board of Directors of the election results. In the event of a tie vote for an office, a runoff election shall be held immediately in the same manner as prescribed in this paragraph.

If required by the Board of Directors, any officer or other person to whom duties are delegated by the Board of Directors shall give the Corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors at the expense of the Corporation, for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 2. The President.

The President shall be the Chair of the Board of the Corporation, and the Chair of the Executive Committee, and shall have general charge and supervision over and responsibility for the affairs of the Corporation, and shall preside at all meetings of the Board of Directors. Unless otherwise directed by the Board of Directors, all other officers shall be subject to the authority and the supervision of the President. The President may enter into and execute in the name of the Corporation contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the Board of Directors. The President shall have the general powers and duties of management usually vested in the office of president of a corporation. The President may delegate from time to time to any other officer any or all of such duties and authority.

In the absence or disability of the President, or in case of an unfilled vacancy in that office, the Vice President or, if the Vice President shall be unable to serve, such other officer of the Corporation as the Board of Directors shall designate, shall assume and fulfill the duties, and exercise the powers, of the President pending the Board's action to fill the vacancy, as provided in Section 9.

Section 3. The Vice President.

The Vice President shall be directly responsible to the President. He or she shall be delegated those duties which in the judgment of the President and Board of Directors are necessary for the efficient administration of the Corporation. If the President is disabled, on a leave of absence or on sabbatical leave, or if his or her office is vacated because of the President's resignation, death or otherwise, the Vice President shall assume and fulfill the duties of the President. The Vice President shall be the Chair of the By-Laws Committee of the Board of Directors

Section 4. The Treasurer.

The Treasurer shall be the Chair of the Finance Committee of the Board of Directors. He or she shall report in writing to the Board of Directors monthly or at any special meeting, or when called upon, with respect to the financial services and financial condition of the Corporation, and shall present at the annual meeting of the Board of Directors a financial statement, duly audited by the outside auditor retained by the Corporation showing receipts and disbursements of the preceding year, and the financial condition of the Corporation. The Treasurer shall have custody of the funds and securities of the Corporation and shall keep or cause to be kept regular books of account for the Corporation.

Section 5. The Secretary.

The Secretary shall keep written records of the proceedings of the meetings of the Board of Directors. He or she shall notify the members of the Board of Directors of their meetings in accordance with these By-Laws and shall perform such other duties as the Board of Directors from time to time shall prescribe. The Secretary shall have the custody of the corporate seal, which shall be kept either at the office of the Corporation or at the office of corporate counsel. The Secretary shall be the Chair of the Review Committee of the Board of Directors. In the absence of the Secretary at any meeting, a Secretary *pro tempore* shall be appointed by the President.

Section 6. Additional Officers and Agents.

The Board of Directors in its discretion may appoint one or more additional officers or agents of the Corporation, as from time to time it may deem advisable, and may prescribe their duties and the terms of their offices.

Section 7. Removal.

Officers elected or appointed by the Board of Directors may be removed from their respective offices with cause by the vote of two-thirds (2/3) of the Directors then in office.

Section 8. Resignation.

Any officer may resign by delivering or causing to be delivered to the President or Secretary a written resignation which shall take effect (a) on being so delivered, (b) at such other

time as may be therein specified, or (c) such sooner time following receipt of the officer's resignation as may be determined by the Board of Directors.

Section 9. Vacancies.

Vacancies in any office, however occurring, may be filled by the Board of Directors in accordance with Article V, Section 1.

ARTICLE VI
DISCRIMINATION

There shall be no unlawful discrimination against an individual in any aspect of Corporation activity, including the hiring of staff, employees or agents of the Corporation.

ARTICLE VII
AUDITOR

There shall be appointed at the annual meeting of the Board of Directors an auditor, who shall be a nationally recognized certified public accounting firm and who shall be neither a member of the Board of Directors nor an officer or employee of the Corporation or the University. The auditor shall audit the bank accounts of the Corporation and the books of the Corporation annually, or more frequently as directed by the Board of Directors and shall provide reports as required by the Affiliation Agreement.

ARTICLE VIII
SEAL

The corporate seal shall bear the name of the Corporation and such other device and inscription as the Board of Directors may determine, in accordance with law. The Board of Directors may change the form of the seal and inscription thereon at any time.

ARTICLE IX
INDEMNIFICATION

The Corporation shall, to the extent permitted by law, indemnify each of its Directors, officers, Participants, agents, and employees against all liabilities and expenses, including the amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees reasonably incurred by him or her in connection with the defense or disposition of any action, suit or other proceedings, whether civil or criminal, in which he or she may be involved or with which he or she may be threatened, while in office or thereafter, by reason of his or her being or having been such a Director, officer, Participant, agent or employee, except with respect to any matter as to which he or she shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation. The Corporation shall not, however, indemnify any Director, officer, Participant or employee where such person acted grossly negligently or fraudulently. The right of

indemnification hereby provided shall not be exclusive of or affect any other rights to which any Director, officer, Participant, agent or employee may be entitled. As used in this paragraph, the terms "Director", "officer", "Participant", "agent", and "employee" shall include their respective heirs, executors and administrators. Nothing contained in this Article shall affect any rights to indemnification to which corporate personnel may be entitled by contract or otherwise under law.

ARTICLE X **AMENDMENTS**

Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, these By-Laws may be amended by affirmative vote of two-thirds of the Directors present in person at any regular meeting of the Directors or at any special meeting of the Directors called for the purpose. At least twenty (28) days prior to any meeting at which an amendment, alteration or repeal of any of these By-Laws shall be considered, the Directors shall receive written notice of any such proposal to amend, alter or repeal, the purpose and effect of the proposed amendment, alteration or repeal and such notice shall specify the sections of these By-Laws to be affected thereby; provided, however, that any such proposed amendment, alteration or repeal shall not be in conflict with the Affiliation Agreement, the Certificate of Incorporation or applicable law. In the event of a conflict between the provisions of these By-Laws and of the Affiliation Agreement, the terms of the Affiliation Agreement shall govern.

ARTICLE XI **DISSOLUTION**

Upon dissolution of the Corporation, after payment of all debts, no part of the remaining assets of the Corporation may be distributed to any Director, officer or Participant of the Corporation, but shall be distributed to the School, or if not permitted by law, to another organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws.

ARTICLE XII **EFFECTIVE DATE**

These Amended and Restated By-Laws were adopted June 25, 2013, and are effective as of July 1, 2013