NONPROFIT CORPORATE BYLAWS

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CLEARY FOUNDATION,

A PENNSYLVANIA NONPROFIT CORPORATION

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CLEARY FOUNDATION

ARTICLE I
NAME AND REGISTERED OFFICE

Section 1.1. Name. The name of this corporation shall be “Cleary Foundation” (the “Foundation”).

Section 1.2. Registered Office. The initial registered office of the corporation in Pennsylvania shall be at 105 Hampton Lane, Blue Bell, Pennsylvania 19422 until otherwise established by an amendment of the Articles of Incorporation or a Change of Registered Agent and/or Registered office and a record of such change is filed with the Commonwealth of Pennsylvania in the manner provided by law.

Section 1.3. Other Office. The corporation may also have offices at such other places within or outside of Pennsylvania as the Board Members may from time to time appoint or the business of the corporation may require.

ARTICLE II
PURPOSES AND POWERS

Section 2.1. Purpose. This corporation is a nonprofit corporation and shall be operated exclusively for the charitable purposes:

1) to ensure that all children are provided with the necessary and appropriate pediatric care/services, especially those children based on need and the inability to pay, including, but not limited to, newborns/children of medically complex or uninsured/underinsured populations;
2) to provide financial support to patients and medical professionals for the provision of services to newborns/children locally, national, and/or abroad based on need and the inability to pay;
3) to provide materials and resources for such newborns’/children’s ongoing care including, but not limited to, the provision of and access to social work expertise, language services, formula, clothing/blankets, safe sleep sacks, and cribs; and
4) to help provide travel and lodging expenses for voluntary medical professionals for national and international work related to the above purposes.

Section 2.2. Powers. The corporation shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the charitable purposes, for which the corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the corporation may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

Section 2.3. Nonprofit Status And Exempt Activities Limitation.

(a) Nonprofit Legal Status. The corporation is a Pennsylvania Nonprofit Corporation, recognized as tax exempt under Section 501(c)(3).

(b) Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws to the contrary, no Board Member, officer, employee, member, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) and applicable Regulations as it now exists or may be amended. No part of the net earnings of the corporation shall inure to the benefit or be distributable to any Board Member, officer, member, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

(c) Private Foundation Status**.** If the corporation shall be determined to be a "private foundation" within the meaning of Section 509, it shall be required to distribute its income or other assets at such time and in such manner so that the corporation will not be subject to the tax under Section 4942; and further, it shall be prohibited from engaging in any act of self-dealing (as defined in Section 4941(d)), from retaining any excess business holdings (as defined in Section 4943(c)), from making any investments in such a manner as to subject the corporation to tax under Section 4944, or from making any taxable expenditures (as defined in Section 4945).

(d) Distribution Upon Dissolution**.** Upon termination or dissolution of the corporation, any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the assets of the corporation hereunder shall be selected in the discretion of a majority of the Board Members of the corporation, and if its Board Members cannot so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the corporation, by the Board Members which verified petition shall contain such statements to reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the Commonwealth of Pennsylvania.

ARTICLE III
MEMBERSHIP

Section 3.1. No Membership Classes. The Corporation shall have no members who have any right to vote or title or interest in or to the corporation or its property.

Section 3.2. Non-Voting Affiliates. The Board Members may approve classes of non-voting affiliates with rights, privileges, and other obligations established by the Board Members. Affiliates may be individuals, businesses, and other organizations that seek to support the mission of the corporation. The Board Members, a designated committee of the Board Members, or any duly elected officer in accordance with Board Members' policy, shall have authority to admit any individual or organization as an affiliate, to recognize representatives of affiliates, and to make determinations as to affiliates' rights, privileges, and obligations. At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliate's consent. At the discretion of the Board Members, affiliates may be given endorsement, recognition and media coverage at fundraising activities, clinics, other events or at the corporation website. Affiliates have no voting rights, and are not members of the corporation.

Section 3.3. Dues. Any dues for affiliates shall be determined by the Board Members.

ARTICLE IV
BOARD MEMBERS

Section 4.1. Number of Board Members. The corporation shall have Board Members (the "Board Member(s)" and or the group of Board Members may be referred to as the "Board") consisting of at least three (3) and no more than fifteen (15) Board Members and shall ideally be an odd number of Board Members. Within these limits, the Board may increase or decrease the number of Board Members serving on the Board, including for the purpose of staggering the terms of Board Members.

Section 4.2. Powers.

(a) General Powers. The Board Members shall have all the power and authority granted by law to the Board, including all powers necessary or appropriate to the management of the business and affairs of the corporation.

(b) Specific Powers. Without limiting the general powers conferred by the last preceding clause and the powers conferred by the Articles of Incorporation and Bylaws of the corporation, it is hereby expressly declared that the Board Members shall have the following powers:

(i) To confer upon any officer or officers of the corporation the power to choose, remove, or suspend assistant officers, agents or servants.

(ii) To appoint any person, firm or corporation to accept and hold in trust for the corporation any property belonging to the corporation or in which it is interested and to authorize any such person, firm or corporation to execute any documents and perform any duties that may be required in relation to any such trust.

(iii) To approve and authorize the borrowing of money and the granting of security interests in the personal property and mortgages on the real estate of the corporation as security for the repayment of loans and interest thereon.

(iv) To purchase, sell, lease, mortgage, pledge, transfer in trust, and otherwise deal with real and personal property of the corporation.

(v) To appoint a person or persons to vote shares of another corporation held and owned by the corporation.

(vi) To seek grants from governmental, charitable or educational organizations, or from the public sector.

(vii) To approve fund raising programs.

Section 4.3. Terms; Initial Board Members. All Board Members shall be elected to serve for a term of three (3) years from the date of election or the date elected to the immediately following the expiration of such term, however the term may be extended until his/her successor has been elected and qualified. Board Members may serve terms in succession. The initial Board Members shall be James Cleary, Elizabeth Podraza, Michael Cleary, Joseph Cleary, and William Cleary. James Cleary shall be the Chair of the Board. Ideally, the terms of the Board Members shall be staggered to avoid a changeover of a majority of the Board Members at once.

Section 4.4. Election of Board Members. Board Members may be elected at any board meeting by the majority vote of the existing Board Members excluding any Board Member whose position is up for election. The election of Board Members to replace those who have fulfilled their term of office shall take place in November or December of each year to elect the Board Members for the following calendar year.

Section 4.5. Removal of Board Members. Board Members may be removed from office, with or without cause, by a supermajority vote of sixty five percent (65%) of the Board Members excluding the vote of the Board Member in question or by order of a court having jurisdiction of such matters.

Section 4.6. Resignation of Board Members. Any Board Member may resign from office with or without cause, by delivering a written statement of resignation to the Secretary of the corporation. Any such resignation shall take effect immediately upon its receipt by the Secretary of the corporation, unless a later effective time or date for the resignation is specified in the notice of resignation. If a Board Member resigns and there will be no remaining Board Members, such Board Member shall designate a replacement Board Member(s).

Section 4.7. Vacancies. Any vacancy on the Board Members occurring other than by reason of a Board Member's completion of his or her term of office (which is governed by Section 4.4) shall be filled by a vote of the majority of the remaining Board Members at any regular meeting, or at a special meeting called for such purpose. If the number of Board Members is less than three (3), Board Members shall be elected as soon as practically possible to bring the number of Board Members to at least three (3).

Section 4.8. Board Members Meetings.

(a) Regular Meetings. The Board Members shall have a minimum of two (2) regular meetings each calendar year at times and places fixed by the Board. Board meetings shall be held upon ten (10) days' notice by a nationally recognized overnight express carrier or certified mail, return receipt requested and postage prepaid, or electronic mail. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the mail or transmission system. Notice of meetings shall specify the place, day, start time, and expected duration of the meeting. The purpose of the meeting need not be specified.

(b) Special Meetings. Special meetings of the Board may be called by the president, vice president, secretary, treasurer, or any two (2) other Board Members of the Board Members. A special meeting must be preceded by at least five (5) days' notice to each Board Member of the date, time, place and expected duration, but not the purpose, of the meeting.

(c) Waiver of Notice. Any meeting of the Board Members may be deemed to have been validly and legally called if all the Board Members entitled to vote on the day of the meeting sign a written waiver of notice, either before or after the meeting. Attendance of the Board Member at any meeting shall constitute a waiver of notice of that meeting and no written waiver need be obtained from the Board Member except when the Board Member attends the meeting for the express purposes of objecting to the transaction of any business because the meeting is not lawfully called or convened. All such waivers, consents or approvals shall be filed with the corporate records. Facsimile and electronic signatures shall be deemed originals for the purpose of this section.

Section 4.8. Manner of Acting.

(a) Quorum. A supermajority of seventy-five percent (75%) of the Board Members in office and eligible to vote immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the Board. No business shall be considered by the board at any meeting at which a quorum is not present.

(b) Majority Vote. Except as otherwise required by law, these Bylaws or by the Articles of Incorporation, the act of the majority of the Board Members present at a meeting at which a quorum is present shall be the act of the Board.

(c) Hung Board Decisions. On the occasion that Board Members of the board are unable to make a decision based on a tied number of votes, the President, or the Secretary if the President is not eligible to vote or not present, or the Treasurer if the President and Secretary are both not eligible to vote or are both not present, shall have the power to determine the vote based on his/her discretion.

(d) Participation. Except as required otherwise by law, the Articles of Incorporation, or these Bylaws, Board Members may participate in a regular or special meeting through the use of any means of communication by which all Board Members participating may simultaneously hear each other during the meeting, including in person, internet video meeting or by telephonic conference call. Any such participation shall count towards the quorum.

(e) Actions by Unanimous Consent; Informal Action. Any action required or permitted at any meeting of the Board Members may be taken without a meeting, without prior notice and without a vote if all of the Board Members entitled to vote thereon consent in writing. Said written consents shall be filed with the minutes of the proceedings and shall have the same effect as a vote for all purposes. Facsimile and electronic signatures including shall be deemed originals for the purpose of this section and such unanimous consent may be given in counterparts. For the purposes of this Section (c), email transmission with specific reference to this Section 4.8(e) from an email address on record constitutes a valid writing where the intent of this sentence is to authorize the Board Members to use email to approve actions.

Section 4.9. Compensation for Board Service. Board Members shall receive no compensation for carrying out their duties as Board Members. The foregoing shall not prevent the Board Members from providing reasonable compensation to a Board Member for services which are beyond the scope of his/her duties as a Board Member or providing for reasonable reimbursement of Board Members for reasonable expenses actually and necessarily incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend meetings of the Board Members.

Section 4.10. Compensation for Professional Services by Board Members. Board Members are not restricted from being remunerated for professional services provided to the corporation. Such remuneration shall be reasonable and fair to the corporation and must be reviewed and approved in accordance with the board Conflict of Interest policy in Section 4.11, below, and state law.

Section 4.11. Conflict of Interest. If there is a transaction that could possibly be a conflict of interest transaction then this transaction will be determined as per Article IX.

ARTICLE V
COMMITTEES/ADVISORY BOARDS

Section 5.1. Committees. The Board Members may, by the resolution adopted by a supermajority of sixty five percent (65%) of the Board Members then in office, designate one or more committees as it shall deem appropriate to conduct the activities of the corporation and to advise the Board Members. Each committee shall consisting of at least three (3) persons, including at least one Board Member. Any committee, to the extent provided in the resolution of the Board and for a maximum duration of one (1) year, shall have all authority of the Board, except that no committee, regardless of board resolutions, may:

(a) take any final action on matters which also require Board Members' approval;

(b) fill vacancies on the Board Members regardless of any authority provided otherwise in any resolution;

(c) amend or repeal the Bylaws or adopt new Bylaws;

(d) amend or repeal any resolution of the Board Members which by its express terms is not so amendable or repealable;

(e) appoint any committee of the Board Members or the members of such committee;

(f) expend corporate funds to support a nominee for Board Member; or

(g) except as provided otherwise in Section 4.11 and Article IX, approve any transaction (i) to which the corporation is a party and one or more Board Members have a material financial interest; or (ii) between the corporation and one or more of its Board Members or between the corporation or any person in which one or more of its Board Members have a material financial interest.

Section 5.2. Meetings and Action of Committees. Meetings and action of the committees shall be governed by and held and taken in accordance with the provisions of Article IV of these Bylaws concerning meetings of the Board Members, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board Members, except that the time for regular or special meetings of committees may be determined either by resolution of the Board Members or by resolution of the committee. Special meetings of the committee may also be called by resolution of the Board Members. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board Members may adopt rules for the governing of the committee not inconsistent with the provision of these Bylaws.

Section 5.3. Advisory Board(s). The Board Members may establish Advisory Board(s) which shall meet from time to time. An Advisory Board shall have no authority to act by, for, or on behalf of the corporation and shall not constitute a committee of the Board Members, but rather shall act solely in an advisory capacity to the Board Members on such matters as shall be referred to such respective Advisory Board from time to time by the Board Members. An Advisory Board shall be comprised of individuals appointed by the Board Members who have demonstrated their interest in the corporation and its work, or whose talents and experience would be helpful to the Board Members. The Board Members shall have the authority at any time to remove and/or replace any person from any Advisory Board with or without a reason or cause.

ARTICLE VI
OFFICERS

Section 6.1. Offices and Election. The corporation shall have the offices of a President, Secretary, and Treasurer, who shall be elected by the Board Members. The Board Members may elect as additional officers one or more Vice Presidents, and one or more assistant officers. A single individual may not hold more than one office and the offices of President, Secretary, and Treasurer shall only be held by Board Members on the Board. The officers shall be elected for a particular calendar year in the immediately preceding November or December.

Section 6.2. Term of Office; Removal and Resignation. Each officer shall serve for a calendar year, however the term may be extended until a successor has been elected. The Board Members may remove an officer at any time with or without cause. Any officer may resign at any time by giving written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any resignation shall take effect at the date of receipt of the notice by the Secretary (or President if the Secretary is resigning) or at any later time specified in the notice. The initial President shall be James Cleary; the initial Secretary shall be Elizabeth Podraza; and the initial Treasurer shall be Michael Cleary.

Section 6.3. President. Unless otherwise determined by the Board Members, the President shall have the usual duties of an executive officer with general supervision over and direction of the affairs of the corporation. In the exercise of these duties and subject to the limitations of the laws of the Commonwealth of Pennsylvania, these Bylaws, and the actions/direction of the Board Members, he/she may appoint suspend, and discharge employees and agents. The President shall also lead the Board Members in performing its duties and responsibilities as chairman/woman, including, if present, presiding at all meetings of the Board Members.

Section 6.4. Secretary. Unless otherwise determined by the Board Members, the Secretary shall keep the minutes of all meetings of the Board Members and all committees, in books provided for that purpose, and shall attend to the giving and serving of all notices for the corporation. He/she shall have charge of the corporate seal, minute books, and other such books and papers as the Board Members may direct. He/she shall perform all other duties ordinarily incident to the office of Secretary and shall have such other powers and perform such other duties as may be assign to him/her by the Board Members or the President.

Section 6.5. Treasurer. Unless otherwise determined by the Board Members, the Treasurer shall be the Board Member responsible for oversight of the financial condition and affairs of the corporation. The Treasurer shall oversee and keep the Board informed of the financial condition of the corporation and of audit or financial review results. In conjunction with other Board Members or officers, the Treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the corporation, are made available to the Board Members on a timely basis or as may be required by the Board Members. The Treasurer shall perform all duties properly required by the Board Members of the President. The Treasurer may appoint, with approval of the Board, a qualified fiscal agent or member of the staff to assist in the performance of all or part of the duties as a Treasurer.

Section 6.6. Other Officers. The Board Members may designate additional officer positions of the corporation and may appoint and assign duties to other non-Board Member officers of the corporation.

ARTICLE VII
CONTRACTS, CHECKS, LOANS AND RELATED MATTERS

Section 7.1. Contracts and Other Writings. Except as otherwise provided by resolution of the Board Members, all contracts, deeds, leases, mortgages, grants, and other agreements of the corporation shall be executed on its behalf by the President or such other persons to whom the corporation has expressly delegated authority to execute such documents in accordance with the policies or resolutions approved by the Board in writing.

Section 7.2. Checks, Drafts. All checks, drafts, or other orders for payment of money, notes, or other evidence of 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 expressly determined in writing by the resolution of the Board.

Section 7.3 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 depository as the Board or a designated committee of the Board may select in writing.

Section 7.4 Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless expressly authorized by resolution of the Board. Such authority may be general or confined to specific instances.

ARTICLE VIII
LIMITATION OF LIABILITY; INDEMNIFICATIONS

Section 8.1. Limitation of Board Members' Liability. No Board Member of the Corporation shall be personally liable for monetary damages as such for any action taken or any failure to take any action if such Board Member (a) acted in good faith; and (b) reasonably believed the conduct was in the best interest of the corporation if acting within official capacity as a Board Member or reasonably believed the conduct was not opposed to the corporation's best interest if acting outside of such Board Member's official capacity. However, limited liability shall not apply to the responsibility or liability of a Board Member pursuant to any criminal statute or to the liability of a Board Member for the payment of taxes pursuant to local, state or federal law.

Section 8.2. Indemnification and Insurance.

(a) Mandatory Indemnification. The corporation shall indemnify a Board Member or former Board Member, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he/she was a party because he/she is or was a Board Member of the corporation against reasonable expenses incurred by him or her in connection with the proceedings including, but not limited to, attorney fees and court costs.

(b) Permissible Indemnification. The corporation shall indemnify a Board Member or former Board Member made a party to a proceeding because he/she is or was a Board Member of the corporation, against liability incurred in the proceeding, if such Board Member acted (i) in good faith; (ii) reasonably believed the conduct was in the best interest of the corporation if acting within official capacity as a Board Member or reasonably believed the conduct was not opposed to the corporation's best interest if acting outside of such Board Member's official capacity; and (iii) in the case of criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and if the determination to indemnify him/her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

(c) Advance for Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board Members in the specific case, upon receipt of (i) a written affirmation from the Board Member, officer, employee or agent of his or her good faith belief that he/she is entitled to indemnification as authorized in this article, and (ii) an undertaking by or on behalf of the Board Member, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation in these Bylaws.

(d) Indemnification of Officers, Agents and Employees. An officer of the corporation who is not a Board Member is entitled to mandatory indemnification under this article to the same extent as a Board Member. The corporation may also indemnify and advance expenses to an employee or agent of the corporation who is not a Board Member, consistent with Pennsylvania law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the board or by contract.

(e) Insurance. The corporation may purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person under Pennsylvania or other law. The corporation may also purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.

Section 8.3. Amendment. If this Article is repealed or amended, such amendment shall only apply on a prospective basis and shall not reduce any limitation on the personal liability of a Board Member of the corporation, or limit the rights of any indemnitee or indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment. Further, notwithstanding any other provision in these Bylaws, any amendments to this Article requires a supermajority vote of sixty five percent (65%) of all Board Members eligible to vote and such repeal or amendment shall not have a retroactive effect inconsistent with this Section 8.3.

ARTICLE IX
CONFLICT OF INTEREST POLICY

Section 9.1. Conflicts of Interest Policy. The corporation recognizes that the skills, talents and relationships of its officers and Board Members are among its richest assets. The corporation is also aware that acquiring goods or services from, or engaging in transactions with its officers, Board Members, and members of their families or entities in which they have a financial interest or in which they are affiliated may create an appearance of impropriety. In order to protect the corporation against any improper appearance, the corporation adopts a conflicts of interest policy as set forth in this Article. The purpose of the conflicts of interest policy is to protect the interests of the corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Board Member of the corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Section 9.2 Definitions. For purposes of this Article, the following terms shall have the meanings set forth below.

(a) "Interested Person" means a Board Member, principal officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest, as defined below. If a person is an interested person with respect to any entity in the health care system of which the organization is a part, he or she is an interested person with respect to all entities in the health care system

(b) "Financial Interest" means, directly or indirectly, through business, investment or family:

(i) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement, or

(ii) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement,

(iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement,

(iv) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest.

A financial interest is not necessarily a conflict of interest. Under Section 9.2, a person who has a financial interest may have a conflict of interest only if the Board or the applicable committee decides that a conflict of interest exists.

(c) "Compensation" includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 9.3. Procedures.

(a) Duty to Disclose. In connection with any actual possible conflicts of interest, an Interested Person must disclose the existence and nature of his/her financial interest to the Board Members or members of any committee with Board delegated powers considering the proposed transaction or arrangement.

(b) Procedures for Addressing the Conflict of Interest.

(i) If a transaction or arrangement would give rise to a conflict of interest of one or more decision maker, if a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the Board by a majority vote of the disinterested Board Members, as appropriate, shall determine whether the transaction or arrangement is in the corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(ii) If the number of disinterest Board Members is less than three (3), the President, or the other disinterested Board Members if the President is an Interested Party, shall, appoint a committee of disinterested persons with not less than three (3) members, including any disinterested Board Members (the "Conflict Committee"), as appropriate. If all the Board Members are Interested Parties, then the Conflict Committee shall be composed of professional disinterested persons with not less than three (3) members, chosen by the Board by a supermajority vote of sixty five percent (65%). Such Conflict Committee shall make the decision in (i), above, in lieu of the Board by majority vote of the disinterested Board Members.

(iii) An Interested Person may make a presentation at the Board meeting of the disinterested Board Members or Conflict Committee meeting, as appropriate, but after such presentation, he/shall leave the meeting during the discussion of, and vote on, the transaction or arrangement that results in the conflict of interest.

(c) Violations of the Conflicts of Interest Policy.

(i) If the Board or a committee has reasonable cause to believe that a Board Member or officer has failed to disclose actual or possible conflicts of interest, it shall inform the Board Member or officer of the basis for such belief and afford the Board Member or officer and opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the response from the conflicting Board Member or office and making such further investigations as may be warranted in the circumstances, the Board or Conflict Committee, as appropriate, determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 9.4. Records of Proceedings.

(a) The minutes of the Board relating to the implementation of this Article IX and similar minutes of any Conflict Committee shall contain:

(i) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Conflict Committee's decision as to whether the conflict of interest in fact existed; and

(ii) the names of persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

<u>Section 9.5. Compensation Committee</u>. A Board Member, officer, or highest compensated independent employee or independent contractor of any committee whose responsibilities include compensation matters and who receives compensation, directly or indirectly from the Corporation, whether as an employee or an independent contractor, for goods or services, is precluded from voting on matters pertaining to that Board Member's or officer's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from voting or being on a committee which is to vote on any compensation matters with the Corporation. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation. A professional opinion shall be obtained as to what is reasonable compensation with relation to such Board Member, officer, or highly compensated independent employee or independent contractor.

<u>Section 9.6. Annual Statements</u>. Each Board Member, principal officer, and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

(a) Has received a copy of the conflict of interest policy,

(b) Has read and understands the policy,

(c) Has agreed to comply with the policy, and

(d) Understands the Company is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Section 9.7. Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic review shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.

(b) Whether provider services result in inurement or impermissible private benefit.

(c) Whether partnership or joint venture arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further corporation's charitable purposes and do not result in inurement or impermissible private benefit.

(d) Whether the conflicts of interest policy is disseminated and in compliance.

Section 9.8 Use of Outside Experts. In conducting the periodic reviews provided for in Section 9.7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

ARTICLE X
DOCUMENT RETENTION POLICY

Section 10.1. Purpose. The purpose of this document retention policy is establishing standards for document integrity, retention, and destruction and to promote the proper treatment of the corporation's records.

Section 10.2. Policy.

(a) General Guidelines. Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, the corporation may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

(b) Exception for Litigation Relevant Documents. The corporation expects all officers, Board Members, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, Board Members, and employees should note the following general exception to any stated destruction schedule: If you believe, or the corporation informs you, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

(c) Minimum Retention Periods for Specific Categories.

(i) Corporate Documents. Corporate records include the corporation's Articles of Incorporation, By-Laws and IRS Form 1023 and Application for Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

(ii) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(iii) Employment Records/Personnel Records. State and federal statutes require the corporation to keep certain recruitment, employment and personnel information. The corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees under applicable state and federal statutes. The corporation should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for at least three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for at least seven years.

(iv) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the corporation's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the corporation.

(v) Press Releases/Public Filings. The corporation should retain permanent copies of all press releases and publicly filed documents under the theory that the corporation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the corporation.

(vi) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of at least ten years.

(vii) Marketing and Sales Documents. The corporation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally at least three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

(viii) Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the corporation and are protected as a trade secret where the corporation:

(a) derives independent economic value from the secrecy of the information; and

(b) has taken affirmative steps to keep the information confidential.

The corporation should keep all documents designated as containing trade secret information for at least the life of the trade secret.

(ix) Contracts. Final, execution copies of all contracts entered into by the corporation should be retained. The corporation should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(x) Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for at least two years.

(xi) Banking and Accounting. Accounts payable ledgers and schedules should be kept for at least seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for at least three years. Any inventories of products, materials, and supplies and any invoices should be kept for at least seven years.

(xii) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(xiii) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for at least three years.

(d) Electronic Mail. E-mail that needs to be saved should be either:

(i) printed in hard copy and kept in the appropriate file; or

(ii) downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

ARTICLE XI
MISCELANEOUS; AMENDMENT

Section 11.1. Seal. The form of the seal of the corporation called the "Corporate Seal of the Corporation," shall be as impressed adjacent hereto.

[Form of Seal]

Section 11.2. Fiscal Year. The fiscal year of the corporation shall be the calendar year, namely January 1 to December 31 of that same calendar year.

Section 11.3. Gender. Where the masculine gender is used in these Bylaws, such usage is for convenience only. Any usage of specific gender terminology shall be deemed to include references to both genders, and any title involving gender shall be permitted to be used in an alternative form for another gender.

Section 11.4. Examination of Books. The Board Members shall have the power to determine form time to time by whom and to what extent and under what conditions and limitations the accounts, records, and books of the corporation or any of them shall be open to inspection. The minute book of the corporation and all financial statements shall at all times during business hours be open to inspection by duly authorized representatives of the Board Members of the corporation.

Section 11.5. Counterparts and Facsimile Signatures. Whenever the execution of a document on behalf of the corporation by any officer of the corporation or any Board Member is authorized by these Bylaws or by other action of the Board Members, such documents may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Further, facsimile or electronic signature to such document shall be deemed, for all purposes, an original and thus any such document shall have the same effect as an original signature.

Section 11.6. Notice. Any notice required to be provided herein may be made either personally, by a nationally recognized mail carrier with return receipt and prepaid postage, certified mail, by wire, by facsimile or by email at the last known home and/or business address of such party.

Section 11.7. Amendment of Bylaws. Except as limited otherwise, these Bylaws may be amended or repealed, or new bylaws may be adopted, by a supermajority vote of seventy five percent (75%) of the Board Members at any duly organized regular or special meeting of Board. Any change in these bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.