

13f. Exhibit K-6- Amended  
Subsidiary Bylaws (Jackson Health  
Network, L3C)

**BYLAWS  
OF  
JACKSON HEALTH NETWORK, L3C  
a Michigan Low-profit Limited Liability Company  
(2016)**

**ARTICLE I  
ORGANIZATION**

- 1.1 Formation. The Company is hereby organized as a Michigan low-profit limited liability company pursuant to the Act by the filing of the Articles with the State of Michigan.
- 1.2 Company Name. The name of the Company shall be the Jackson Health Network, L3C. The Company shall use the assumed name "Jackson Health Network."
- 1.3 Company Offices. The Company shall have and continuously maintain in this state a registered office and a registered agent whose office address is identical with such registered office, and may have such other offices within or without the state of Michigan as the Member may from time to time determine.
- 1.4 Definition of Services Entities. The term "System" as used in these Bylaws, means the organized network of entities, each of which is a "System Entity," consisting of the Member, the Parent and entities directly or indirectly wholly owned by the Member or the Parent, which provide for the coordinated delivery of health care related services for residents of Jackson County, Michigan, and surrounding areas (the "community").

**ARTICLE II  
PURPOSES AND POWERS**

- 2.1 Purposes and Powers. As provided in the Articles of the Company, the Company is organized and operated to significantly further the accomplishment of 1 or more charitable, educational, and scientific purposes of its Member within the meaning of Section 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 (or comparable provisions of subsequent legislation) (the "Code"). The Company shall have the following specific purposes and powers to engage in any activity for which limited liability companies may be formed under the Act. At all times, the Company shall meet and conduct its activities to meet all of these following requirements:
  - 2.1.1 The production of income or appreciation of property shall not be a significant purpose of the Company;
  - 2.1.2 The purposes of the Company shall not include accomplishing 1 or more political or legislative purposes described in section 170(c)(2)(D) of the Code;
  - 2.1.3 To operate in support of or in furtherance of the charitable purposes of the Member by carrying on activities for the benefit of the charitable class benefited by a

federally tax exempt Member, including, without limitation, engaging in activities and programs designed to quantify, measure and improve the health status of residents of the community;

- 2.1.4 To reduce total healthcare costs in the community;
- 2.1.5 To minimize unnecessary clinical variation in the community;
- 2.1.6 To monitor the healthcare services provided through and arranged by the Company;
- 2.1.7 To integrate the provision of care provided by providers contracted through the Company; to contract with government and private health benefit plans on behalf the providers contracted with the Company;
- 2.1.8 To increase the quality of healthcare services provided to patients in the community by providers contracted with the Company;
- 2.1.9 To improve the patient experience for patients receiving services from providers contracted with the Company;
- 2.1.10 To promote and carry on such scientific research as the Board of Directors may determine with respect to the cause, treatment and prevention of illness and injury, the improvement of public health and other matters;
- 2.1.11 To acquire, own, use, lease as lessor or lessee, convey and otherwise deal with real and personal property and any interest therein, and to apply gifts, grants, bequests and devises and the proceeds of such, in furtherance of its charitable purposes;
- 2.1.12 To receive, accept and utilize all gifts or grants which may be furnished to it for its purposes;
- 2.1.13 To contract with other organizations, for profit and nonprofit, with individuals, and with governmental agencies in furtherance of its purposes; and
- 2.1.14 To do such things and to perform such acts to accomplish its purposes as are not forbidden by Section 501(c)(3) and 509(a)(3) of the Code, with all the powers conferred on low-profit limited liability companies by the laws of the State of Michigan.

2.2 Tax Exemption Compliance. As provided in the Articles, notwithstanding any other provision of the Articles, the Company shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Sections 501(c)(3) and 509(a)(1) of the Code and its regulations or under state laws as they now exist or as they may hereafter be amended. No part of the net earnings of the Company shall inure to the benefit of or be distributed to its Directors, officers or other private persons. No officer or Director shall have any title to or interest in the Company's property. However, the

Company may pay reasonable compensation for services rendered in furtherance of the Company's purposes, subject to Section 7.7 hereof.

### **ARTICLE III DISSOLUTION**

- 3.1 Dissolution. The Company shall be dissolved and its affairs wound up upon the happening of any of the following events:
- 3.1.1 the entry of a decree of judicial dissolution; or
  - 3.1.2 the action of HFHS directing same provided such action shall have been approved by a vote of the Parent's Board of Directors.
- 3.2 Liquidation. The Company shall not be wound up until the Company's Articles of Organization have been canceled and the assets of the Company have been distributed as provided herein. Upon the dissolution of the Company, the Member shall liquidate the assets of the Company, apply and distribute the proceeds thereof as provided by these Bylaws and cause the cancellation of the Company's Articles of Organization.
- 3.3 Distribution in Liquidation. Upon dissolution of the Company, the property remaining after providing for debts and obligations of the Company (including but not limited to earned financial and performance incentives otherwise payable to providers participating in the Company's clinically integrated network) shall be distributed to its Member provided that at the time of dissolution, the Member is exempt from tax under Section 501(c)(3) of the Code. If, upon the Company's dissolution, the Member is not an organization described in Section 501(c)(3) of the Code, the property remaining after providing for debts and obligations of the Company shall be distributed to the Parent provided at the time of dissolution the Parent is exempt from tax under Section 501(c)(3) of the Code. If, upon the Company's dissolution, neither the Member nor the Parent is in existence or qualifies as an exempt organization, the Company's remaining property shall be distributed to that organization exempt from tax under Section 501(c)(3) as may be designated by the last Board of Directors and approved by HFHS, to serve the public health purposes of Jackson County, Michigan and surrounding area.

### **ARTICLE IV MEMBERSHIP, RESERVED POWERS, AND MEETINGS**

- 4.1 Membership. The sole member of this Company is Henry Ford Allegiance Health (the "Member"); the sole member of the Member is Henry Ford Allegiance Health Group (the "Parent"); and the sole member of the Parent is Henry Ford Health System ("HFHS").
- 4.2 Responsibilities and Reserved Powers of HFHS. HFHS shall have the sole authority to take or cause to be taken any of the following actions (the "**HFHS's Reserved Powers**"):

- 4.2.1 Appoint the members of the Company's Board, the Chair of the Board, and the President of the Company;
- 4.2.2 Remove any member of the Company's Board, the Chair of the Board and the President of the Company;
- 4.2.3 Change the corporate member of the Company, provided such action shall have been approved by a vote of the Parent's Board of Directors;
- 4.2.4 Amend these Bylaws or the Company's Articles of Organization, provided HFHS first consults with the Parent's Board of Directors regarding the proposed amendment;
- 4.2.5 Approve an agreement of (a) merger or consolidation of the Company, or (b) sale, lease, or transfer of substantially all of the assets of the Company, provided such agreement shall have been approved by vote of two-thirds of the Parent's Local Director's (as defined in the Parent's bylaws) and further provided that approval of the Local Director's shall not be required for certain transactions with respect to HFHS's overall health system (including the Company) as described in Section 6.8 of the Affiliation Agreement dated March 4, 2016 between the Parent and Henry Ford Health System, as amended from time to time ("Affiliation Agreement");
- 4.2.6 Dissolve the Company or revoke such dissolution, provided such action shall have been approved by a vote of the Parent's Board of Directors;
- 4.2.7 Cause the Company to incur, assume or guaranty Indebtedness or fulfill other obligations required under HFHS debt agreements;
- 4.2.8 Encumber the assets of the Company as security for debts or other lawful engagements securing Indebtedness, and
- 4.2.9 Authorize the formation or acquisition of new subsidiaries of the Company or the sale or other disposition of existing subsidiaries of the Company.

As used herein, "Indebtedness" of a person shall mean: (a) obligations of such person relating to indebtedness for borrowed money; (b) obligations of such person evidenced by bonds, notes, debentures or similar instruments; and (c) obligations in the nature of guarantees by, or joint and several liability of, such person with respect to the obligations of any other person of the type described in clauses (a) and (b) above.

The Company shall cause the reserved powers listed in this Section 4.2 to be included in the articles of incorporation, bylaws or other comparable governing documents, of each System Entity of which the Company is directly or indirectly the sole owner or member, provided HFHS's authority with respect to the Company and said System Entities shall be delegated as described in the Authority Matrix attached to these Bylaws as Exhibit 1

and HFHS shall consult with the Board of the Parent before modifying the Authority Matrix.

4.3 Responsibilities and Reserved Powers of the Member. In addition to doing all things required or allowed by law, the Member of the Company shall have the sole authority to take the following actions ("**Member Reserved Powers**"), subject however to the HFHS Reserved Powers:

4.3.1 Recommend to the Parent for approval strategic plans and operating and capital budgets of the Company;

4.3.2 Authorize non-budgeted expenditures by the Company above limits established by the Parent;

4.3.3 To the extent Section 4.2.7 and Section 4.2.8 are not applicable, approve the incurrence of Indebtedness by, and encumbrances to secure Indebtedness of, the Company in excess of limits established by the Parent;

4.3.4 To the extent Section 4.2.5 is not applicable, approve the sale or other disposition of fixed assets of the Company with a value in excess of limits established by the Parent.

The Company shall cause the reserved powers listed in this Section 4.3 to be included in the articles of incorporation, bylaws or other comparable governing documents, of each System Entity of which the Company is directly or indirectly the sole owner or member.

4.4 Action by HFHS, Parent and Member. Whenever these Bylaws require or permit HFHS, the Parent, or the Member to take an action, such action shall be taken by HFHS's, the Parent's or the Member's respective governing body or its designee.

4.5 Annual Meeting. Each year, in lieu of an annual member meeting, the Member, acting by written consent, shall take action, if any, required to be taken at an annual meeting of the member(s) of a limited liability company.

## **ARTICLE V MANAGEMENT**

5.1 Management. The business and affairs of the Company shall be managed by a Managing Board of Directors (the "Board") subject to the HFHS Reserved Powers and Member Reserved Powers.

5.2 Powers. Subject to the HFHS Reserved Powers and Member Reserved Powers under these Bylaws, the Articles or applicable law, the authority and duties of the Board, as Manager, shall include the following:

- 5.2.1 Electing and appointing Officers (other than the President and the Chair of the Board) of the Company;
- 5.2.2 Electing and appointing Board Committee members;
- 5.2.3 Recommending to HFHS any proposed changes to the purposes, philosophy or mission of the Company;
- 5.2.4 Recommending to HFHS any changes to the Company's Articles and these Bylaws;
- 5.2.5 Incurring Indebtedness and encumbering assets within limits established by the Parent;
- 5.2.6 Subject to the requirements of Super Majority approval of managed care contracts as provided below, approving contracts outside the ordinary course of the Company's business, all contracts with affiliated persons or entities, and all other contracts that may be submitted to the Board for approval;
- 5.2.7 Establishing a policy setting forth the availability of continuing education for Directors and such Director participation requirements that are deemed appropriate by the Board;
- 5.2.8 Establishing Board committees and delegating appropriate responsibility and authority for the operation of the Company and its assets to Board Committees and appropriate officers of the Company in accordance with these Bylaws; and
- 5.2.9 Recommending candidates for consideration as Directors;

And by Super Majority Approval:

- 5.2.10 Developing and adopting the Company's Network Membership Criteria,
- 5.2.11 Developing and administering Company's Network Performance Incentive Programs;
- 5.2.12 Coordinating the negotiation of and approving the Company's managed care contracts on behalf of the Member and participating health professionals;
- 5.2.13 Approving any changes to the Board of Directors nomination process;
- 5.2.14 Approving and modifying credentialing requirements for participation in the Company's provider panel; and
- 5.2.15 Developing and recommending the Company's: (i) Network Strategic Plan, (ii) Network Capital and Operating Budgets and, (iii) Network Clinical Integration

Agenda for physician integration initiatives, contracting parameters, and significant agreements with payors.

- 5.3 Directors. Individuals may be recommended for appointment to the Company's Board as Directors by the Company's Nominating Committee subject to approval by a majority of the then current Directors. HFHS shall have no obligation to appoint individuals recommended by the Board as Directors.
- 5.4 Number. The Board shall consist of not less than 12 but not more than 24 voting Directors and designated as either Class P or Class H Directors, as the Member shall determine. The total number of Class H Directors shall not be more than twenty five-percent (25%) of the voting Directors. One-half of all Class P Directors shall be specialist health professionals and one-half shall be primary care health professionals; further at least forty percent (40%) shall be independently practicing, at least thirty five percent (35%) shall be employed by the Member, with professionals having clinical service agreements with the Member comprising the remaining cohort of Class P Directors.
- 5.5 Director Classes and Designations.
- 5.5.1 Class P. All participating health professionals serving on the Board of Directors shall be classified as "Class P Directors." For the purpose of these Bylaws, "health professional" means a licensed allopathic physician, osteopathic physician, podiatrist or clinical psychologist and no other practitioners.
- 5.5.2 Class H. All non-health professionals on the Board shall be classified as "Class H Directors," except that certain health professionals employed in an administrative capacity by the Member may be designated as Class H Directors. Of the Class H Directors, at least one but no more than half shall be representatives of the community.
- 5.5.3 Ex-Officio. The Company's Chief Executive Officer and the Member's President and Chief Executive Officer shall be non-voting Ex-Officio Directors.
- 5.6 General Qualifications and Responsibilities. Each Director shall continuously:
- 5.6.1 Actively and consistently promote the interests of the community, and the purposes, mission, goals and vision of the Company, the Member and the Parent;
- 5.6.2 Demonstrate an ability to contribute expertise in areas of clinical performance improvement, care coordination, improving efficiency in care delivery, physician leadership, payer contracting/managed care, general management, business/finance, information technology, or physician organization;
- 5.6.3 Demonstrate an ability to participate, discuss, and disagree in a solution-oriented manner while caring out duties as a Director;



- 5.6.4 Demonstrate willingness to work in a collaborative approach with other Directors by understanding and respecting the viewpoints of the other Directors;
  - 5.6.5 Possess a reputation of credibility among the Company's fellow health professionals, payers and management;
  - 5.6.6 Comply with the Company's, the Member's and the Parent's conflict of interest requirements and consistently place the interests of the community, the Company, the Member and the Parent above personal interests;
  - 5.6.7 Refrain from entering or maintaining any relationship that may constitute a business conflict of interest (i.e., serving in a leadership and or governance capacity for network, health plan or similar organization competing or doing business with Company);
  - 5.6.8 Fulfill the fiduciary and confidentiality duties of Board and/or Board committees as more fully described in the Company's and Member's policies;
  - 5.6.9 Discharge and support the Compliance Plan of the Company and the Member;
  - 5.6.10 Voice opinions and address issues or concerns in a cooperative, constructive partner-like approach and support Board and Board committee actions and decisions once the discussions have ended, consistent with the Company's, the Member's and the Parent's System Leadership Principles and Code of Conduct; and
  - 5.6.11 Consistently comply with Board approved attendance and other performance and eligibility criteria.
- 5.7 Compliance with Laws. The Directors shall not take any action on behalf of the Company or cause the Company to take any action when they know or should know that the action does not comply with applicable federal, state and local laws, rules, regulations and restrictions. Without limiting the generality of the foregoing, the Directors shall not, to the extent applicable, cause the Company to:
- 5.7.1 Enter into any contract, lease, agreement or arrangement which the Directors knows or should know is in violation of any applicable law, rule or regulation;
  - 5.7.2 Make or cause to be made a false statement or misrepresentation of a material fact in any application for any benefit or payment from a payor;
  - 5.7.3 Make or cause to be made a false statement or misrepresentation of a material fact for use in determining rights to any benefit or payment from a payor;
  - 5.7.4 Fail to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment;

- 5.7.5 Pay, solicit or receive any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, or offer to pay or receive such remuneration (1) in return for referring an individual to a person for the furnishing, or arranging for the furnishing, of any item or service for which payment may be made in whole or in part by Medicare, Medicaid, or any other payor; or (2) in return for purchasing, leasing, or ordering, or arranging for or recommending purchasing, leasing, or ordering, any good, facility service, or item for which payment may be made in whole or in part by Medicare, Medicaid or any other payor;
- 5.7.6 Other than as permitted by exceptions set forth in federal or state anti-kickback and other laws or regulations (e.g., permitted in-office ancillary), refer a patient for health services or products to, or provide health services to a patient upon a referral from a person with which the physician or an immediate family member has a financial relationship; or
- 5.7.7 Take any action that would jeopardize the Member's, Parent's, HFHS or any System Entity's tax exempt status under Code Section 501(c)(3).
- 5.8 Terms of Directors. Except for staggering of terms to assure alternating expiration of terms by class of Directors, a Director who is not an Ex Officio Director shall serve a three (3) year term. However, unless earlier removed, resigned or deceased, a Director shall continue to serve after term expiration until his/her successor is selected and begins serving. No Class P Director shall be nominated to serve for more than three full three year terms or more than ten consecutive years. Any Former Class P Director who has left the Board due to the expiration of term limits is eligible to be nominated and again serve as a Class P Director (with a reset of the term limits described above) after one (1) year's absence from the Board.
- 5.9 Resignation. Any Director may resign at any time by giving written notice to the Chair or Secretary of the Company and the Member. Such resignation shall take effect at the time specified in the notice, or if no time is specified, shall take effect at the time such resignation is accepted by the Board.
- 5.10 Vacancies. Vacancies in non-Ex Officio positions on the Board due to death, resignation, removal or other causes may be filled during the term by HFHS. The Board may provide recommendations to fill any such vacancy, in accordance with the recommendation procedures described in these Bylaws and its Committee Protocol.
- 5.11 Removal of Directors. A Director may be removed with or without cause from office by HFHS, without a hearing.
- 5.12 Annual Meeting. For the purpose of recommending individuals to serve as Directors and conducting such other business as shall properly come before the Directors at such meeting, the annual meeting of the Board shall be held on a date designated by the Board at the principal office of the Company or at such place as may be designated from time to time by the Board, at such hour as may be designated in the notice.

- 5.13 Regular Meetings. In addition to the annual meeting, the Board shall be expected to hold regular meetings approximately monthly, but no less often than quarterly, at such time and place as may be designated by the Board. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Michigan, for the holding of additional regular meetings without notice other than such resolution.
- 5.14 Special Meetings. Special meetings of the Board may be called by the Member, Chair, or, in the Chair's absence, by the Vice Chair, if any, the President or upon written request of a majority of the voting Directors.
- 5.15 Notice of Meetings. Notice of all special meetings of the Board shall be (a) mailed by first class mail to each Director at least five (5) days before the date of the meeting, (b) given by personal delivery to the address designated by each Director at the beginning of each year, at least three days before the date of the meeting, or (c) given to each Director in person by telephone, facsimile transmission, or if the Director so authorizes, by electronic mail, at least three days before the date of the meeting. The notice shall state generally the nature of the business to be taken up at the special meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed, properly addressed envelope, first class postage prepaid. No notice shall be required for regularly scheduled meetings.
- 5.16 Written Action in Lieu of Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting by the individual or collective written and signed consent of all the Directors to the action to be taken, whether communicated in writing or by telefacsimile or email transmission, provided that an email must either be sent from a carrier account that bears the name of the Director, or the consent must be provided by an image attachment that bears the actual signature of the Director. Such written consent(s) shall be filed in paper form with the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of the Directors. Any certificate or other document filed under law relating to action so taken shall state that the action was taken by unanimous written consent of the Board without a meeting and that the Bylaws authorize the Directors to so to act.
- 5.17 Telephonic Participation in Meetings. Directors may participate in and act at any meeting of the Board by means of conference telephone or other means of remote communication that permits all individuals participating in the meeting to communicate with all other participants. Participation in a meeting pursuant to this Section constitutes attendance in person at the meeting.
- 5.18 Quorum and Action. For all meetings of the Board (other than for action taken by unanimous written consent), a simple majority of the voting Directors then serving shall constitute a quorum for the transaction of business, and the act of a majority of Directors present at a meeting at which a quorum is present shall ordinarily be the action of the Board. However, matters for which Super Majority Approval is necessary shall require the affirmative vote of two-thirds (2/3) of Class P Directors plus a simple majority of Class H Directors.

- 5.19 Procedure at Meetings. Consistent with Section 12.8, the Board of Directors may adopt rules governing its conduct and procedures at meetings, not inconsistent with the Articles and these Bylaws. Such rules may be amended by the Board of Directors at any meeting, without notice.
- 5.20 Confidentiality .
- 5.20.1 Confidentiality Responsibility. Each Director has a strict legal and fiduciary duty to preserve and protect the confidentiality and secrecy of all communications, deliberations, and discussions to which the Director comes privy by virtue of his/her service in the office.
- 5.20.2 Confidentiality of Proceedings. The records and business of all Board proceedings shall be confidential and shall not be subject to disclosure except in accordance with Member and Company policies. When the Board's activities involve professional review or review of the practices in the Company for the purpose of reducing morbidity and mortality and improving patient care, all minutes, data, knowledge and information, made or collected by or on behalf of the Board shall be confidential, and pursuant to the Public Health Code and other applicable state and federal laws, shall not be disclosed to any person or entity, except the Board and the Company committees that are assigned quality improvement functions.
- 5.21 Attendance. Directors are expected to attend all meetings of the Board of Directors and any committees on which they serve. Non-compliance with this provision on a regular basis may be a basis for removal from the Board of Directors or committee. Additionally, if a Director (other than an Ex Officio Director) fails to attend (in person or by alternative means) three (3) consecutive Board meetings or attends less than fifty percent (50%) of meetings in any annual period of the Board of Directors, such Director will be removed from the Board automatically absent a resolution of the Board of Directors permitting continued membership on the Board for good cause shown. The (i) Member's Chief Medical Officer, (ii) Member's Chief Financial Officer and (iii) Jackson Community Medical Record LLC's Executive Director ("Invited Guests") shall each be an invited guest at all meetings of the Board unless specifically excused by the Board. Unless otherwise appointed as Directors, Invited Guests shall not be considered members of the Board nor shall the Invited Guests have any voting interest on matters that come before the Board.
- 5.22 Presumption of Assent. A Director of the Company who is present at a meeting of the Board of Directors or a committee thereof of which the Director is a member at which action on any Company matter is taken shall be presumed to have assented to the action taken unless he/she dissents. A Director who dissents to such Company action shall have his/her dissent entered in the minutes of the meeting or the Director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the presiding officer of the meeting or the Secretary of the Company within five (5) days after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

- 5.23 Validity of Meeting. Whenever all Directors of the Company are present or the written consent of all Directors of the Company has been obtained, any meeting of the Board of Directors and any action taken thereat (subject to the HFHS Reserved Powers and Members Reserved Powers) shall be the legal and valid corporate action of the Company for all purposes whether or not proper notice has been given and whether or not such meeting has been called pursuant to the provisions of the Articles and these Bylaws.
- 5.24 Written Policies. In addition to any policies required by the Member, the Board may develop written policies for dealing with matters which routinely come before the Board and which are of importance to the Company and its lawful and effective operation.

## **ARTICLE VI COMMITTEES**

- 6.1 Committees Generally. Committees of the Board shall be standing or special. The standing committees shall be the Executive Committee, the Nominating Committee, the Clinical Performance Committee, the Credentialing Committee, the Payer Contracting Committee, and such other committees as the Board shall designate from time to time. The Executive Committee will be composed solely of Directors; other committees may be composed of Director and non-Director members. The purpose, composition, responsibilities and limitations of each standing committee may be set forth in a Committee Protocol promulgated by the Board. All standing or special committees, and the subcommittees thereunder (collectively, the "Committees"), except the Executive Committee when performing the duties of the Board between Board meetings, shall serve in an advisory capacity to the Board of Directors and nothing in this section or any other section of the Bylaws shall be interpreted as giving the committees a delegated power from the Board of Directors. In all instances, recommendations and findings from the Committees shall be advisory and shall not in any way obligate the Board of Directors to implement or act upon the recommendations or findings from the Committees.
- 6.2 Special Committees. Special committees may be appointed for a specified term by the Chair of the Board with the concurrence of the Board, for such special tasks as circumstances warrant. A special committee shall limit its activities to the accomplishment of the tasks for which it is appointed and shall have no power to act except as specifically conferred by action of the Board. Upon completion of the tasks for which created, expiration of its specified term of appointment, or as otherwise determined by the Board, a special committee shall stand discharged.
- 6.3 Community Advisory Boards. The Board may create or approve the creation of community advisory boards. Community advisory boards shall be forums to gather input and information from individuals and organizations in order to create opportunities for community involvement and community input to help define the mission and goals of the Company. The Board shall determine the duties, authority and composition of the community advisory boards. Upon completion of the duties for which the community advisory board was created, the community advisory board shall stand discharged.

- 6.4 Committee Membership. Each Committee Chair shall be a current Director, nominated by the President, elected by the Board of Directors and approved by the Member. Persons who are not Directors or officers of the Company may be appointed to serve on standing or special committees, other than the Executive Committee. All standing or special committees shall have at least one Class P Director and at least one Class H Director as members. All committee members, including those who are not Directors, must meet the general qualifications and responsibilities for Directors (Section 5.6) and comply with the conflict of interest requirements (Article X) when performing committee functions. Committee members shall serve at the pleasure of the Board of Directors and the Member. The Board of Directors shall review and reappoint persons to membership on all standing and special committees at the Board of Directors' annual meeting.
- 6.5 Committee Procedures Generally. A majority of the committee members then serving shall constitute a quorum for the transaction of business at any committee meeting and any committee action must be authorized by the affirmative vote of a majority of the committee members present at a meeting at which a quorum is present. However, regardless of a quorum, for any vote to take effect, it must be supported by at least one (1) Class P and one (1) Class H Director-member of the committee, unless otherwise specified in the Committee Protocol governing the committee in question. Each committee shall prepare minutes, or utilize such other alternative recording mechanism as may be specified by the Board for recording of its deliberations, recommendations and conclusions and shall promptly deliver a copy of such minutes or other records to the Secretary of the Company. Reasonable notice of the meetings of any committee shall be given to the committee members and to the Chair of the Board and the President, who shall have the right to attend and participate in the deliberations of all committees. The Chair, President or the committee chairperson may invite to any committee meeting such individuals as he or she may select who may be helpful to the deliberations of the committee. Each committee, other than the Executive Committee, may operate through the establishment of one (1) or more subcommittees to be composed of such members of the committee and to have such duties and responsibilities as shall be delegated to the subcommittee by the committee. Each committee may adopt rules for its own operations and for the operations of its subcommittees not inconsistent with these Bylaws or the policies of the Board, consistent with Section 12.8.
- 6.6 Written Action in Lieu of Meeting. Any action required or permitted to be taken by a committee may be taken without a meeting by the written and signed consent of the number of committee members necessary to the action to be taken or recommendation, whether communicated in writing or by telefacsimile or email transmission, provided that an email must be either be sent from a carrier account that bears the name of the committee member, or the consent must be provided by an image attachment that bears the actual signature of the committee member. Such written consent(s) shall be filed in paper form with the proceedings of the committee. Such action by written consent shall have the same force and effect as a vote of the committee.
- 6.7 Telephonic Participation in Meetings. Committee members may participate in and act at any meeting of a committee by means of conference telephone or other means of remote

communication if all individuals participating in the meeting can communicate with all other participants. Participation in a meeting pursuant to this Section constitutes attendance in person at the meeting.

6.8 Confidentiality.

6.8.1 Confidentiality Responsibility. Each member of a committee has a strict legal and fiduciary duty to preserve and protect the confidentiality and secrecy of all communications, deliberations, and discussions to which the committee member becomes privy by virtue of his/her service on the committee.

6.8.2 Confidentiality of Proceedings. The records and business of all committee proceedings shall be confidential and shall not be subject to disclosure except in accordance with Member and Company policies. To the extent that any committee of the Board oversees or engages in professional review or review of the practices in the Company for the purpose of reducing morbidity and mortality and improving patient care, all minutes, data, knowledge and information, made or collected by or on behalf of the Committee shall be confidential, and pursuant to the Public Health Code and other applicable state and federal laws, shall not be disclosed to any person or entity, except the Board or Company committees assigned quality improvement functions, for purpose of such committees' action thereon.

## **ARTICLE VII OFFICERS**

7.1 Officers. The officers of the Company shall be a Chair, President, Secretary, Treasurer, and if so designated by the Board, Vice Chair, Vice President(s) and General Counsel. In addition, the Board of Directors may appoint administrative officers as provided in Section 7.2. All officers, except for the Chair, President, any Vice Presidents, and any General Counsel, shall be elected or appointed by the Board of Directors at the Board's annual meeting. The Chair, President, any Vice Presidents and the General Counsel shall not be, and shall not be considered to be, elected officers. The Chair and President shall be appointed by HFHS. Any Vice Presidents and General Counsel shall be appointed and may be removed by the President. Any offices, except the offices of Chair, Vice Chair and President, and the offices of President and Treasurer, may be combined in one person by action of the Board. Unless otherwise provided in these Bylaws, each elected officer shall hold office for a term of one (1) year or until his/her reelection or a successor is elected, unless he/she shall sooner resign or be removed.

7.2 Administrative Officer Positions. The Board of Directors may appoint assistant officers (e.g., Assistant Secretary, Assistant Treasurer etc.) and/or a full or part-time Executive Director, to support the work of the Company's officers in the conduct of their duties and the business of the Company.

7.3 Removal and Resignation. Any officer may resign from office at any time by giving written notice to the Chair or the Secretary of the Company and such resignation shall take effect at

the time specified in the notice, or if no time is specified, shall take effect at the time the resignation is accepted by the Board. Any elected officer may be removed by the Board at any time with or without cause whenever, in the Board's judgment, the removal would be in the best interests of the Company. The Chair and President may be removed only by HFHS, in consultation with the Board.

7.4 Vacancies. A vacancy in any office of the Company may be filled by the selection process specified in this Article for each office.

7.5 Authority and Duties of Officers.

7.5.1 Chair of the Board. The Chair shall be the chief policy officer of the Company and have all the duties which that position would customarily require, including presiding at all meetings of the Board of Directors and the Executive Committee, appointing committees of the Board and all other duties assigned to the Chair under these Bylaws or by Board or Executive Committee resolution.

7.5.2 Vice Chair. The Vice Chair, if any, shall chair meetings of the Board in the event of absence or disability of the Chair of the Board and shall perform such other duties as may be delegated to the Vice Chair from time to time by the Board or the Executive Committee.

7.5.3 President. The President shall be the chief executive officer of the Company. The President is bound by a dual-reporting relationship whereby he/she shall report to both the Company's Board of Directors and the Chief Executive Officer of the Member. He/she shall have all the duties and authority which such position would customarily require, including, but not limited to the following (which may, with the consent of the Board, be delegated to a Vice President or an Executive Director, if any) in all cases consistent with the Member Reserved Powers and HFHS's Reserved Powers:

- (a) Carrying out the mission and philosophy of the Company and the Member and all policies established by the Board and advising on the formation of these policies;
- (b) Developing and submitting to the Board for approval a plan of organization for the conduct of the various activities of the Company and recommended changes when necessary;
- (c) Preparing annual written plans for the achievement of the Company's specific objectives and annually reviewing and evaluating such plans;
- (d) Collaborating with the Parent's management in preparing a proposed annual budget showing the expected revenue and expenditures as required by the Board and causing to be prepared, at least annually, a report of the condition of the Company;



- (e) Selecting, employing, supervising, and discharging corporate agents and employees and developing and maintaining personnel policies and practices for the Company;
- (f) Purchasing real property or other capital items of a value not to exceed a limit set from time to time by the Parent, and maintaining physical properties in a good and safe state of repair and operating condition;
- (g) Supervising the financial affairs of the Company to ensure that funds are collected and expended to the best possible advantage of the Company;
- (h) Presenting to the Board, or its authorized committees, periodic reports reflecting the activities of the Company and such other special reports as may be required by the Board;
- (i) Serving as a member of such committees in such capacities, as are provided in the Committee Protocol;
- (j) Representing the Company in its relationships with its affiliated organizations except as otherwise directed by the Board;
- (k) Executing contracts and all other documents and instruments on behalf of the Company as provided in Section 12.2 of these Bylaws;
- (l) Providing the Board of Directors, at least annually, with a summary of relevant law and accreditation policies with regard to quality of care issues and reporting on quality improvement activities in the Company in the previous year;
- (m) Performing the duties of Vice Chair at meetings of the Board of Directors if there is no Vice Chair elected or present; and
- (n) Performing such other duties as may from time to time be assigned by the Board of Directors.

7.5.4 Vice President(s) and General Counsel. A person designated as a Vice President, including the Chief Medical Officer, or as General Counsel, shall either be an employee of the Company or of another System Entity, or serve pursuant to a written contract of the Company with such person and/or his/her employer. If such positions are filled, the Vice President(s) or General Counsel shall perform such duties and have such responsibilities as may be prescribed from time to time by the President or the Board and shall be considered a member of the President's staff. Any duty of the President, except for duties as a Director, may be delegated to a Vice President or General Counsel, provided that the President shall remain accountable for the performance of such person.

- 7.5.5 Secretary. The Secretary shall: (a) oversee preparation of minutes or the reporting of the meetings of the Board in one (1) or more books provided for that purpose; (b) oversee the issuance of official notices in accordance with these Bylaws or as required by law; (c) oversee the maintenance of all records, reports and minutes of the Company, the Board of Directors and committees; and (d) in general, perform such duties incident to the office of Secretary as are from time to time assigned by the Board of Directors.
- 7.5.6 Treasurer. The Treasurer may serve as Chair of the Finance Committee, if any; and shall (a) have charge and custody of and be responsible for all funds and securities of the Company; (b) oversee the receipt of all monies to the Company from any source whatsoever, deposit or cause to be deposited all such monies in the name of the Company in such banks, trust companies or other depositories selected by HFHS, and oversee the disbursement of such monies; and (c) perform all such duties incident of the office of Treasurer as are from time to time assigned by the Board of Directors
- 7.6 Bonds. If required by the Board of Directors, any officer or employee of the Company shall give to the Company a bond for the faithful discharge of the officer's duties in an amount with such surety or sureties as the Board shall determine, and the expense for such shall be paid by the Company.
- 7.7 Compensation of Officers and Directors. Compensation of officers and agents shall be fixed by the Board consistent with the Parent's compensation policies. Directors may receive reasonable compensation taking into account Company revenues and in accordance with IRS guidelines and the Parent's policy for services as Directors and shall receive reimbursement for their Company-authorized expenses. Any compensation may be paid directly or through the employer of an individual furnished by another entity under contract. The President or any other employee of the Member, or other System Entity, shall abstain from any vote of the Board as to any salary, compensation, or benefits to be paid or due to him/her.

## **ARTICLE VIII ORGANIZATIONAL REVIEW PROCESS**

The Board of Directors will perform an annual review of the Company's operations including activities to improve clinical care, patient experience and resource use; quantitative analysis and trending of performance measures including comparison to goals; and analysis to identify reasons when goals are not met.

## **ARTICLE IX CREDENTIALING**

- 9.1 Credentialing Process. Credentialing of participating health professionals is overseen by the Board of Directors, which has delegated its governance authority in some respects to the Board Committee on Peer-Professional Review, Credentialing and Quality Assessment

(abbreviated "Board Peer Review Committee"), a committee of the whole of the Board, as more fully provided below. In this respect, for legal purposes, action taken by the Board Peer Review Committee shall have the same effect as if taken by the Board itself.

9.2 Responsibilities of the Board Peer Review Committee.

9.2.1 Establishment and Enforcement of Ethical and Professional Standards. The Board Peer Review Committee shall establish expectations for participating health professionals and seek to achieve compliance with all ethical principles and standards of professional medical practice by all such participating health professionals.

9.2.2 Selection Criteria. In acting on matters of participating health professional status, the Board Peer Review Committee shall consider the recommendations of the other providers, the needs of the Company and community, and such other criteria as are set forth in the Company's strategic plan and policies. The criteria shall include professional ability, practice habits, judgment and rapport, community needs and expectations, and Company needs and expectations.

9.2.3 Basic Due Process for Denials or Termination of Participating Status. Whenever the Board Peer Review Committee denies or terminates participating health professional status, it will provide an opportunity for that denied or terminated individual to have a review consisting of an in person presentation supported with written evidence to the Board Peer Review Committee or a subcommittee thereof selected by the Chair from individuals who are not in direct competition or from the same practice as the individual seeking review. Following this review, the action taken by the Board Peer Review Committee will be final.

9.3 Action by the Board and Board Peer Review Committee.

9.3.1 Board Action. The Board, and so long as the Board's responsibilities in this respect are delegated to it, the Board Peer Review Committee, reserve the right to take final action on all matters relating to quality of care and conformance with the performance goals and requirements of the Company.

9.3.2 No Property Rights. Participating health professional status shall not be construed in any way as a property right or any other type of right, nor are these Bylaws or policies authorized by these Bylaws to be construed as a contract, either explicit or implied, between the Company and the individual or collective participating health professionals.

**ARTICLE X**  
**CONFLICT OF INTEREST**

10.1 Disclosure. Any Director, officer, or non-Director committee member ("Interested Person") having an interest in a contract or other proposed action presented to the Board or committee

of which they are a member for authorization, approval or ratification shall make a prompt, full and frank disclosure of his/her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant material facts known to such Interested Person about the contract or transaction which might reasonably be construed to be adverse to the interests of the Company or the System.

- 10.2 Director Participation and Disqualifications. An Interested Person making a disclosure required under Section 10.1 to the Board or to a committee may briefly state his/her position in the matter and answer questions of other Directors or committee members. The Interested Person shall not, however, participate in deliberations, vote on the matter, use his/her personal influence in the matter, or be counted towards a quorum of the Board or committee. Any dispute as to whether an Interested Person has a duality or conflict of interest, shall be exclusively determined by the Board or committee, acting by a majority of the Directors or committee members present, exclusive of the Interested Person who is the subject of the vote. If a duality or conflict of interest is disclosed or is found to exist, the minutes of the meeting shall reflect the situation, the abstention from voting, and the quorum status. For the purposes of this Article, a person shall not be deemed to have a duality or conflict of interest as to any matter before the Board or committee, merely because the person is a Director, officer or employee of the Company or another System Entity, where the person has no personal financial interest, other than salary for service as an employee or officer, if applicable.
- 10.3 Parent or Board Policy. The Parent or Board may establish conflict and duality of interest policies which either amplify the foregoing or apply the foregoing in a manner which is more restrictive upon conflicts or dualities of interest.

## ARTICLE XI LIMITATION OF LIABILITY AND INDEMNIFICATION

- 11.1 Indemnification. As provided in the Articles, the Company shall to the maximum extent permitted under the Act, defend, indemnify and hold the Member, any Member representatives and Directors harmless and make advances for costs and expenses from and against any and all domestic and foreign taxes, penalties, fines, claims, obligations, demands, attorney fees and litigation costs, whatsoever arising out of the status or activities as a Member, Member representative or Director of the Company, any business, transactions, agreements or other activities of the Company or the properties or assets of the Company.
- 11.2 Limitation on Liability. The Member and its representatives and the Directors shall perform their duties as such in good faith, in a manner they reasonably believe to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. To the extent not inconsistent with the Act, the Member and its representatives or Directors shall not be liable to the Company or to the Member for any loss or damage sustained by the Company or the Member, unless the loss or damage shall have been the result of fraud, deceit, intentional misconduct, knowing violation of law, a wrongful taking by such person, or a distribution

of Company assets contrary to Article XIII of these Bylaws.

- 11.3 Liability Insurance. The Company may purchase and maintain insurance (or maintain a program of self-insurance, including through an affiliated entity) on behalf of any person who is or was a Director, officer, volunteer, employee or agent of Company, who was or is serving on a formally constituted committee of the Company, or who was or is serving at the request of the Company as a director, trustee, officer, partner, volunteer, employee or agent of another corporation, organization, partnership, joint venture, trust or any other enterprise, against any liability asserted against such person and incurred in such capacity or arising out of such person's status as such, whether or not the Company would have the power to indemnify against such liability by law. Nothing contained in this Section 11.3 shall limit or eliminate the intended benefit under Section 11.1 for any Member representative or Director.

## ARTICLE XII MISCELLANEOUS

- 12.1 Fiscal Year. The Company shall have the same fiscal year as the Parent.
- 12.2 Contracts. The President and his/her express designees shall be authorized to execute contracts and all other instruments and documents on behalf of the Company, within limits of authority specified by the Board provided said authorization does not exceed the Board's own authority and is consistent with the Member Reserved Powers and HFHS's Reserved Powers. The Board or Member, within its own authority, may place limits on the authority of any officer or authorize any officer or agent to enter into any contract or to execute and deliver any instrument or document in the name of and on behalf of the Company, with such authority being either general or confined to specific instances.
- 12.3 Loans. No loans shall be contracted on behalf of the Company and no evidence of indebtedness shall be issued in its name unless first approved by the Board and, if required by the Member's Reserved Powers, approved by the Member, except that the Company may contract for loans or give evidence of Indebtedness up to a limit set from time to time by the Board and the Parent. No loan shall be granted to an officer or Director of the Company, except with the approval of HFHS and the Board acting in full compliance with these Bylaws and policies regarding conflicts of interest.
- 12.4 Checks, Drafts. All checks, drafts, or other orders for the payment of money, notices or other evidences of Indebtedness issued in the name of the Company or to the Company, shall be signed or endorsed by such officer or agent of the Company and in such manner as shall from time to time be determined by resolution of the Board.
- 12.5 Deposits. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company to such banks, trust companies or other depositories as HFHS may select.

- 12.6 Maintenance of Records. The Company shall keep correct and complete books and records of account and other records of the activities of the Company as may be appropriate. All such records shall be open to inspection upon the demand of the Member, Parent or HFHS or any Director.
- 12.7 Signatures. A signature of any officer, Director or committee member on any document may be provided by facsimile or other electronic means which can be authenticated by visual comparison or voice message.
- 12.8 Meeting Procedures. Meetings of the Board of Directors and committees of the Board shall be conducted in accord with procedures established by the Board in writing or through established practice acceptable to a majority of the Board which fairly allow each Director or committee member to review and consider relevant information, reasonably express his/her views, vote, and have his/her vote or dissent recorded, and are not otherwise inconsistent with the Articles and these Bylaws. Notwithstanding the above, if any three (3) or more Directors believe the procedures utilized do not meet the above requirements or are unfair with respect to one or more matters, they may, by written notice signed by each of them, require that proceedings on such matter(s) be conducted in accord with the current edition of Robert's Rules of Order, Revised, to the extent consistent with these Bylaws.

### ARTICLE XIII ALLOCATIONS

- 13.1 Debt and Expense Allocation. Collected revenues of the Company shall first be allocated to pay debts and expenses of the Company (including salaries of employees) that are due and payable or in the judgment of the Member should be paid even if not yet due.
- 13.2 Service Allocations to Member. The Member shall be given allocations based upon the value of services, as well as money and property contributed to the Company. Service Allocations shall be in cash or property or partially in both, as determined by the Member. No distribution shall be declared or made if, after giving it effect, it would violate the provisions of applicable law governing the permissibility of distributions by low-profit limited liability companies to their members.
- 13.3 Allocations of Profits and Losses. The Company's Losses after payment of the foregoing shall, be allocated to the Member. Profits of the Company, after retirement of debts, shall not be distributed to the Member before the dissolution of Company. Profits, if any, shall be applied to the development of enhancements of the Company.

### ARTICLE XIV DEFINITIONS

The following are definitions of terms used in these Bylaws:

- 14.1 "Act" means the Michigan Limited Liability Company Act, being Act No. 23, Public

Acts of 1993, as amended.

- 14.2 "Henry Ford Allegiance Health" means W.A. Foote Memorial Hospital, a Michigan nonprofit corporation, which conducts operations as Henry Ford Allegiance Health.
- 14.3 "Articles" means the Articles of Organization filed by the Company with the State of Michigan.
- 14.4 "Board," when used without modification, means the Board of Directors of the Company.
- 14.5 "Bylaws" means these Bylaws as they may be amended.
- 14.6 "Code" means the United States Internal Revenue Code of 1986, as amended.
- 14.7 "Company" means Jackson Health Network, L3C, a Michigan low-profit limited liability company.

These Bylaws were duly approved and adopted by the Member of the Company on March 30, 2016 to be effective upon consummation of the Affiliation as defined in the Affiliation Agreement.

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EXHIBIT 1  
AUTHORITY MATRIX



## HENRY FORD ALLEGIANCE HEALTH GROUP AUTHORITY MATRIX<sup>1</sup>

*Effective April], 2016*

This Authority Matrix describes the Reserved Powers to which entities wholly-owned by Henry Ford Allegiance Health Group (other than Henry Ford Allegiance Health) are subject. Henry Ford Health System may modify the delegation of its Reserved Powers set forth in this Authority Matrix, following consultation with Henry Ford Allegiance Health Group's Board of Directors .

Definitions used in Authority Matrix:

AHF =Allegiance Health Foundation, d/b/a Henry Ford Allegiance Health Foundation

CL = CareLink of Jackson, d/b/a Henry Ford Allegiance CareLink

HFAH = W.A. Foote Memorial Hospital, d/b/a Henry Ford Allegiance Health

HFAHG =Henry Ford Allegiance Health Group

HFHS = Henry Ford Health System

HL = HealthLink

HOJ =Hospice of Jackson, d/b/a Henry Ford Allegiance Hospice

IYL =It's Your Life Services LLC

JCMR =Jackson Community Medical Record, L3C

JHN =Jackson Health Network, L3C

PCN =Physicians Choice Network, LLC

	Decision/Action	HFHS	HFAHG	HFAH	HL
1.	Appoint and remove members of Subsidiary Governing Body	Delegated	Delegated authority with respect to: AUF, CL, HL, HOJ	Delegated authority with respect to IYL, JCMR, JHN and PCN	

<sup>1</sup> Key: Red: Reserved Power held by HFHS which is delegated to another entity.

Black: HFHS Reserved Power to be exercised only by HFHS.

Green:Member's Reserved Power over Subsidiary (which is subject to HFHS approval above stated limits).

2.	Appoint and remove Subsidiary's Board Chair and President	Delegated	Delegated authority with respect to: AHF, CL, HL, HOJ	Delegated authority with respect to IYL, JCMR, JHN and PCN
3.	Change Subsidiary's corporate member	HFHS, with approval of HFAHG Board of Directors		
4.	Amend Subsidiary's governing documents (articles, bylaws, operating agreement)	HFHS, after consultation with HFAHG Board of Directors		
5.	Approve a merger or consolidation of Subsidiary or a sale of substantially all of Subsidiary's assets	HFHS, with approval of 2/3 of HFAHG's "Local Directors," except as otherwise provided in Section 6.8 of HFHS-HFAHG Affiliation Agreement		
6.	Dissolve a Subsidiary or revoke such a dissolution	HFHS, with approval of HFAHG Board of Directors		
7.	Authorize formation or acquisition of a new subsidiary of a Subsidiary	HFHS, after consultation with HFAHG Board of Directors		

8.	Adopt Subsidiary's capital and operating budgets	HFHS adopts budgets recommended by HFAHG, unless HFHS determines a change is necessary			
9.	Approve unbudgeted Subsidiary expenditures	HFHS approval required for unbudgeted expenditures exceeding an annual aggregate of \$500,000 for HFAHG, HFAH and all Subsidiaries	HFAHG approval required for annual aggregate unbudgeted expenditures exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: AHF, CL, and HL.	HFAH approval required for annual aggregate unbudgeted expenditures exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: IYL, JCMR, JHN and PCN	HL approval required for annual aggregate unbudgeted expenditures by HOJ exceeding amounts established by the HFAHG Board from time to time
10.	Cause Subsidiary to incur or guaranty debt or encumber Subsidiary assets	HFHS			

11.	Approve Subsidiary debt (including guarantees), other than as covered under Item10	HFHS approval required for indebtedness exceeding an annual aggregate of \$2 million for HFAHG, HFAH and all Subsidiaries	HFAHG approval required for annual aggregate indebtedness exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: AHF, CL, and HL	HFAH approval required for annual aggregate indebtedness exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: IYL, JCMR, JHN and PCN	HL approval required for annual aggregate indebtedness of HOJ exceeding amounts established by the HFAHG Board from time to time
12.	Approve encumbrance of Subsidiary assets, other than as covered under Item 10	HFHS approval required for encumbrance of assets exceeding an annual aggregate of \$2 million for HFAHG, HFAH and all Subsidiaries	HFAHG approval required for annual aggregate encumbrance of assets exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: AHF, CL, and HL	HFAH approval required for annual aggregate encumbrance of assets exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: IYL, JCMR, JHN and PCN	HL approval required for annual aggregate encumbrance of assets by HO.J exceeding amounts established by the HFAHG Board from time to time

13.	Approve disposal of Subsidiary's fixed assets, if not covered under Item 5	HFHS approval required for disposal of fixed assets exceeding an annual aggregate of \$2 million for HFAHG, HFAH and all Subsidiaries	HFAHG approval required for annual aggregate disposal of fixed assets exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: AHF, CL, and HL	HFAH approval required for annual aggregate disposal of fixed assets exceeding amounts established by the HFAHG Board from time to time for the following Subsidiaries: IYL, JCMR, JHN and PCN	HL approval required for annual aggregate disposal of fixed assets by HOJ exceeding amounts established by the HFAHG Board from time to time
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