

**AMENDED AND RESTATED
OPERATING AGREEMENT
OF
PATHFINDERHEALTH, LLC
(an Arizona Limited Liability Company)**

THE COMPANY: PathfinderHealth, LLC (the “**Company**”)

EFFECTIVE DATE: July 19, 2017

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this “**Agreement**”) is entered into effective as of the Effective Date, by Northern Arizona Healthcare Corporation, an Arizona nonprofit corporation and sole equity member of the Company as of the Effective Date (“**NAH**”).

**ARTICLE 1
FORMATION OF THE COMPANY**

1.1 Formation. NAH organized the Company on June 24, 2014 upon the filing of the Articles of Organization (the “**Articles**”) with the Arizona Corporation Commission pursuant to the provisions of A.R.S. Title 29, Chapter 4 (the “**Arizona LLC Act**”). The Company shall do all other things requisite to the continuation of a limited liability company under the Arizona LLC Act.

1.2 Name. The name of the Company shall be PathfinderHealth, LLC, or such other name as the Company’s Board of Managers (the “**Board**”) determines, from time to time.

1.3 Term. This Agreement and the Company shall continue into perpetuity, unless terminated or modified in accordance with the terms specifically provided herein or in the Arizona LLC Act.

**ARTICLE 2
BUSINESS AND PURPOSE**

2.1 Purpose. The purpose of the Company is to engage in any lawful activity for which a limited liability company may be organized under the Arizona LLC Act; provided, that all acts, activities and business of the Company shall be carried on in a manner that is in furtherance of, and consistent with, the status of NAH as a tax-exempt, charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any future United States Internal Revenue law. Such purposes of the Company include, without limitation:

(a) To develop and implement a clinical integration program (the “**CI Program**”) which will include active and ongoing initiatives designed to establish a collegial foundation to improve the continuity and quality of care in the communities served by NAH through collaborative measures among the physicians and advanced practice professionals affiliated with NAH and its affiliates, including the development of a model for the collection and management of clinical data;

(b) To operate as a regional, clinically integrated care delivery system that empowers providers to enhance health while improving quality and efficiency. This objective shall be accomplished by leveraging the structure of and functioning as an accountable care organization (“**ACO**”). To support the purpose and vision of the Company, the Company shall utilize the following guiding principles in connection with the development and ongoing management and improvement of the Company:

- (i) Enhance patient and family-centered care.
- (ii) Facilitate clinical and financial alignment to ensure a sustainable delivery system.
- (iii) Improve quality, efficiency and value.
- (iv) Be physician-driven, with an emphasis on primary care and strengthening the provider community.
- (v) Align like-minded providers and facilities around a shared vision.
- (vi) “Partner” with patients to enhance care through all stages of life.
- (vii) Utilize best practices and information technology to improve care.
- (viii) Provide timely access to appropriate care.
- (ix) Reward quality care.

(c) To facilitate the development of a network of Participating Provider Members (as such term is defined in Section 4.2(b)) to participate in the ACO and CI Program and to work in conjunction with NAH to assist the Company to conduct its business and to assist in the Company’s management;

(d) To evaluate whether to develop and develop an agreement (the “**Services Agreement**”) with NAH or an affiliate of NAH to provide performance improvement services to NAH;

(e) To establish a mechanism for shared governance among the participants in the ACO;

(f) To establish, report, and ensure provider compliance with health care quality criteria, including quality performance standards;

- (g) To enter into shared savings programs and other performance based arrangements with third-party payors and other entities;
- (h) To establish and fund incentive compensation pools and programs;
- (i) To develop risk pools, self insurance products, group purchasing organizations and management organizations in order to achieve the purposes of the Company;
- (j) To provide additional ACO and network operations and support services to Members and other persons and entities;
- (k) To assess the opportunity to participate and potentially participate in the Medicare Shared Savings Program (“MSSP”);
- (l) To become accountable for the quality, cost and overall care of the Medicare fee-for-service beneficiaries assigned to the Company;
- (m) To perform all activities legal and customary for an ACO including, but not limited to:
 - (i) receiving and distributing shared savings;
 - (ii) repaying shared losses or other monies determined to be owed to the Centers for Medicare & Medicaid Services (“CMS”) under the MSSP;
 - (iii) establishing, reporting, and ensuring participating provider compliance with health care quality criteria, including quality performance standards; and
 - (iv) fulfilling other ACO functions identified in applicable Federal regulations.
- (n) To fulfill other functions and undertake other activities as may be beneficial, necessary, advisable, or appropriate, in the reasonable opinion of the Board.

2.2 Principal Place of Business; Company Records. The principal place of business of the Company shall be located at 1200 North Beaver Street, Flagstaff, Arizona 86001, or such other place as the Board determines, from time to time. At the Company’s principal place of business, the Company shall keep all the records required to be maintained under the Arizona LLC Act, including, without limitation, (a) a current list of the full name and last known mailing and electronic mail address of each Member and Manager; (b) a copy of the Articles and any amendments; (c) a copy of this Agreement and any amendments; and (d) copies of financial records and books of accounts. All Company records shall be open to inspection and copying by the Members or their authorized representatives for a proper purpose upon reasonable request during ordinary business hours.

2.3 Statutory Agent. The Company’s statutory agent and address shall be as set forth in the Articles.

2.4 Defects as to Formalities. A failure of NAH, any other Equity Member or the Company to observe any formalities or requirements of this Agreement, the Articles, or the Arizona LLC Act shall not be grounds for imposing liability on NAH or any other Equity Member for the Company's liabilities, debts, and obligations.

ARTICLE 3 CONTRIBUTION

3.1 Initial Contribution. The initial capital contribution and membership interests of each Equity Member shall be as set forth in the Company records. The Board shall modify and amend such records from time-to-time to reflect capital contributions made and Equity Members and membership interests as of the date of modification.

3.2 Additional Capital Contributions. The Equity Members shall not be obligated to make additional capital contributions to the Company. However, the Equity Members may (but shall not be obligated to) make additional capital contributions from time to time with the approval of the Board, provided that, in the event there are multiple Equity Members, each Equity Member shall have the opportunity to make any such additional capital contributions on a proportionate basis based on their then-current capital accounts. Equity Members that make additional capital contributions shall have their capital accounts adjusted accordingly.

ARTICLE 4 MEMBERS

4.1 Members. For purposes of this Agreement, "**Members**" shall mean, collectively, Equity Members and Participating Provider Members, and a "**Member**" shall mean each Equity Member and each Participating Provider Member, individually. NAH is the sole initial Equity Member. Participating Provider Members are non-equity members of the Company and shall have only those rights and privileges as may be set forth in this Agreement. Participating Provider Members are not "**Members**" of the Company pursuant to the Arizona LLC Act.

4.2 Membership Criteria. The criteria set forth in this Section 4.2 shall be referred to as the "**Membership Criteria**" and shall be applicable to Members as set forth below. Upon a Member's failure to meet or maintain any of the foregoing Membership Criteria applicable to such Member, such Member shall immediately inform the Company of such failure.

(a) Equity Members. To be eligible to be (and remain) an "**Equity Member**," each Equity Member must meet (and continue to meet) each of the following criteria, as applicable (collectively, the "**Equity Membership Criteria**"):

(i) Each such Equity Member shall have made a capital contribution to the Company upon becoming an Equity Member;

(ii) Each such Equity Member shall have agreed in writing to the terms and conditions of this Agreement; and

(iii) Each such Equity Member must comply with any further membership criteria (the "**Further Criteria**") adopted by the Board from time to time (including

without limitation any membership criteria determined by the Board at the time of or as a condition to the admission of such Equity Member to the Company, regardless of whether such criteria applies solely to such Equity Member). Any such Further Criteria which will be applicable to NAH or any other then-current Equity Member must be approved by NAH and any other then-current Equity Member. No Equity Member may be admitted to the Company without the prior written approval of NAH and the membership of any Equity Member (including without limitation NAH) may not be terminated without the prior written approval of NAH.

(b) Participating Provider Members. A “**Participating Provider Member**” shall include physician practice entities (a “**Practice**”) and, if approved by the Board, individual physician and advanced practice professionals. To be eligible to be (and remain) a Participating Provider Member, each Participating Provider Member must meet (and continue to meet) each of the following criteria, as applicable (collectively, the “**Participating Provider Membership Criteria**”):

(i) Each Participating Provider Member (and, if a Practice, each physician and/or advanced practice professional employed by, contracted with or billing under a billing number assigned to the TIN of such Practice (each a “**Practice Provider**”)) must meet the Company’s policies on credentialing and participation;

(ii) Each Participating Provider Member must be a party to, and at all times comply with, a participation agreement with Company (a “**Provider Participation Agreement**”) and, if required by the Board, each Practice Provider of such Participating Provider Member must be a party to, and at all times comply with, an individual provider participation agreement;

(iii) Each Participating Provider Member shall have agreed in writing to the terms and conditions of this Agreement;

(iv) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall, as applicable:

(A) be qualified to provide medical services, including, without limitation, holding a valid and unrestricted license to practice medicine in the State of Arizona or holding an authorization or license under an applicable authority (which authorization or license allows for the practice of medicine in the State of Arizona), unless the applicable provider is an Indian Health Service or Tribal physician, in which case an alternative license to practice medicine in the State of Arizona is permitted; or

(B) (i) be an advanced practice professional who is permitted by law to practice independently or under the supervision of a physician who is a Participating Provider Member or a Practice Provider of a Participating Provider Member, as applicable, depending upon the category of advanced practice professional and in accordance with Arizona law regulating advanced practice professionals; (ii) have a recognized limited scope of practice within health care; and (iii) be registered and/or licensed by the State of Arizona;

(v) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) must be able to satisfy the credentialing standards of any credentialing authority as determined by the Board;

(vi) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) must demonstrate a meaningful commitment to the mission of the Company to ensure the Company's likely success;

(vii) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall comply with any and all applicable federal and state laws, regulations and rules, CMS instructions and guidance, including, without limitation, (a) federal criminal law; (b) the False Claims Act (31 USC 3729 et seq.); (c) the anti-kickback statute (42 USC 1320a-7b(b)); (d) the civil monetary penalties law (42 USC 1320a-7a); (e) the physician self-referral law (42 USC 1395nn);

(viii) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall be committed to practice in a manner that supports conformance with quality standards and clinical initiatives as the Board may adopt from time to time;

(ix) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall actively participate in the operations of the Company, including, without limitation, serving on such committees and in such leadership positions as determined by the Board;

(x) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall not be subject to any contractual obligation that would restrict the Participating Provider Member (and, if a Practice, each of its Practice Providers) from participating in any reimbursement or payment arrangement approved by the Board;

(xi) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall be and shall remain in good standing as a participating provider under the Medicare program.

(xii) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall not be excluded from participation under any federal health care program, as defined under 42 U.S.C. §1320a-7b(f), for the provision of items or services for which payment may be made under a federal health care program;

(xiii) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall not have affiliated or contracted with (by employment or otherwise) any employee, contractor or agent that the Participating Provider Member (and, if a Practice, any of its Practice Providers) or an affiliate of the Participating Provider Member (and/or, if a Practice, any of its Practice Providers) knew or should have known was or is excluded from participation in any federal health care program;

(xiv) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) shall not be party to any pending, threatened or final adverse action, as such

term is defined under 42 U.S.C. § 1320a-7e(g), nor shall any of the Participating Provider Member's affiliates, employees, contractors, or agents;

(xv) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) must agree to provide health care services on a nondiscriminatory basis as the Board deems appropriate in connection with any payer agreement or arrangement of the Company;

(xvi) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) must comply with any further membership criteria adopted by the Board from time to time, provided such criteria is consistently applied to all Participating Provider Members (and their Practice Providers, as applicable); and

(xvii) Each Participating Provider Member (and, if a Practice, each of its Practice Providers) must comply with the following additional responsibilities:

(A) actively participate in the CI Program and adhere to the Company's policies and protocols related to the CI Program, including, without limitation, providing Company with access to the data and information of such Participating Provider Member (and, if a Practice, each of its Practice Providers) necessary to track and report Participating Provider Member's (and, if a Practice, each of its Practice Provider's) performance in connection with the CI Program;

(B) adhere to and actively participate in all clinical initiatives applicable to such Participating Provider Member (and/or Practice Providers) and other applicable measures as the Board might adopt from time to time for the CI Program and as may be provided in the Services Agreement; provided, however, that the Board shall not adopt or implement any membership criterion or measure that takes into account, directly or indirectly, the volume or value of business a Participating Provider Member or any Practice Provider refers (or potentially refers) to NAH or any of its affiliates;

(C) adhere to the Company's policies, procedures and protocols;

(D) adhere to and actively participate in all clinical initiatives applicable to such Participating Provider Member or Practice Provider and other applicable measures as the Board might adopt from time to time;

(E) maintain active e-mail addresses and high-speed internet access at such Participating Provider Member's medical offices and be adequately integrated, as determined by the Board and pursuant to policies and procedures adopted by the Board from time to time, with the electronic medical record system and/or data reporting system adopted by the Board from time to time;

(F) participate in clinical integration information technology training (including without limitation with respect to data processes and structures) as the Board may request from time to time;

(G) use the health care industry's standard coding procedures, as determined by the Board from time to time; and

(H) exhibit leadership skills and be an advocate for the ACO and CI Program.

4.3 Triggering Events. The following events with respect to a Participating Provider Member shall be deemed a “**Triggering Event**”:

(a) A breach of this Agreement by such Participating Provider Member (including a breach by any Practice Provider of such Participating Provider Member);

(b) Failure to comply with any Participating Provider Membership Criteria (including a failure by any Practice Provider of such Participating Provider Member);

(c) The occurrence of a Voluntary Withdrawal Event; or

(d) A determination by the Board, by Supermajority Approval, to terminate a Participating Provider Member.

With respect to the Triggering Events under (a) and (b) above (a “**Curable Triggering Event**”), the Board may, but is not required to, allow such Member the opportunity to cure the circumstances causing such Curable Triggering Event. Upon the occurrence of a Curable Triggering Event (or the failure to cure within the timeframe provided by the Board, if any), the Board may terminate such Member from the Company, in which event such terminated Member shall no longer be a Member of the Company. Upon the occurrence of a Triggering Event under (c) above, the Board may terminate such Member from the Company, in which event such terminated Member shall no longer be a Member of the Company. Upon the occurrence of a Triggering Event under (d) above, the terminated Member shall no longer be a Member of the Company.

4.4 Admission of Additional Members. The Board may admit to the Company additional Members. Any additional Members must agree to be bound by the terms of this Agreement. In connection with the admission of a new Member (and subject to Section 4.2(a)(iii)), the Board may adopt additional membership criteria for such new Member, which will be deemed to be a part of Section 4.2 with respect to such Member. In addition to and notwithstanding the foregoing, a new Equity Member may not be admitted without the prior written approval of NAH.

4.5 Withdrawals or Resignations. No Member may voluntarily withdraw from the Company without the consent of the Board; provided however, that a Participating Provider Member may, upon not less than sixty (60) days prior written notice to the Company (except such notice shall not be required upon death), voluntarily withdraw from the Company upon the occurrence of a Voluntary Withdrawal Event (as defined hereafter). A “**Voluntary Withdrawal Event**” shall occur upon a Participating Provider Member's dissolution, death, permanent disability or retirement. In addition, a Participating Provider Member may also voluntarily withdraw from the Company upon written notice in the event of the termination of the Provider Participation Agreement through which the Participating Provider Member participates in the

Company, which termination shall also be deemed to be the occurrence of a Voluntary Withdrawal Event. In the event of a withdrawal in accordance with this Section, such Participating Provider Member shall no longer be a Member of the Company.

4.6 Meetings.

(a) An annual meeting of the Members for the confirmation of the Approved Slate shall be held prior to the end of the first quarter following the end of the fiscal year upon the call of NAH. Written notice of the annual meeting of shall be provided in accordance with Section 4.6(c).

(b) A special meeting of the Members may be called for any purpose or purposes by any of the following: (i) the Board; (ii) NAH; (iii) any Equity Member; or (iv) twenty-five percent (25%) of the Participating Provider Members as evidenced in a writing(s); and delivered to the Secretary of the Company (the “**Secretary**”). Participating Provider Members (and their Practice Providers) shall have the right to attend a special meeting and participate in the discussions at such meeting. Written notice of any special meeting shall be provided in accordance with Section 4.6(c).

(c) The Secretary shall deliver written notice of the annual meeting or a special meeting stating the date, time and place of such meeting and the purpose or purposes for which the meeting is called. The Secretary shall deliver the written notice to each Member in person or by mailing or electronically mailing the same to the Member’s last address or electronic mail address, as the case may be, appearing on the records of the Company not less than ten (10) days before the date of the meeting.

4.7 Waiver of Notice. A Member may waive notice of any meeting at which a Member may attend either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Company’s records. Attendance by a Member at a meeting shall constitute waiver of notice of that meeting, except where such Member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item of business may not lawfully be considered at that meeting and does not participate in the consideration of the item of business at that meeting.

4.8 Quorum. A quorum shall exist at the annual meeting of the Members if (a) a representative of each Equity Member and (b) fifty-one percent (51%) of the Participating Provider Members are present at the annual meeting. In the absence of a quorum at any meeting of the Members, the Members may adjourn the meeting to another date, time and place with notice to the Members given in accordance with Section 4.6(c).

4.9 Action at Meetings. Unless otherwise specifically provided by this Agreement, the approval or consent of (a) a majority of the Equity Members and (b) a majority of the Participating Provider Members shall be required for the Company to take action on any matter upon which the vote of Participating Provider Members is required by this Operating Agreement.

4.10 Participation in Person; Participation by Telephone. Members may participate in the annual meeting or any special meeting, if applicable, by means of a conference telephone or

other similar communications equipment pursuant to which all Members participating in such meeting may simultaneously hear each other and such participation shall be deemed participation in person.

4.11 Written Consent. Unless otherwise specifically provided by the Arizona LLC Act or this Agreement, the Members may take action without a meeting if the Members consent to or approve such action in one or more writings (with the consent required under Section 4.9), and the writing or writings are placed in the Company's records.

4.12 Limited Liability of the Members. Except upon the express written agreement to the contrary by a Member, no Member shall be liable for the debts, liabilities, contracts or other obligations of the Company.

4.13 Limitation on the Members. Solely by virtue of being a Member, no Member (a) shall have any authority to act for or bind the Company for any obligation, debt, duty, or responsibility; (b) is an agent of the Company; or (c) have authority to act for the Company.

4.14 Participating Provider Members. For purposes of determining a majority or percentage of Participating Provider Members for purposes of (i) voting, approval or consent, (ii) determining whether a quorum exists and (iii) the ability to call a special meeting, each Participating Provider Member (i) that is a Practice shall be deemed to represent and have a number of votes equal to the number of its Practice Providers and (ii) that is an individual shall be deemed to have one (1) vote. For example, if (i) there are eight (8) Participating Provider Members that are Practices and each such Participating Provider Member has five (5) Practice Providers and (ii) there are ten (10) Participating Provider Members that are individuals, each Participating Provider Member that is a Practice would represent ten percent (10%) (5 out of 50). Participating Provider Members shall be represented at meetings and for voting purposes by a representative, but any Practice Provider may attend meetings of Members.

ARTICLE 5 BOARD OF MANAGERS

5.1 Authority of the Board. Unless otherwise specifically provided by the Arizona LLC Act or this Agreement, the Board shall have the authority, power and discretion to manage and control the business, affairs and properties of the Company, to make decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. Without limiting the generality of the foregoing and except as otherwise provided by the Arizona LLC Act or this Agreement, the Board's authority shall include, without limitation, the following matters:

(a) Ultimate authority to execute the functions of an ACO, including but not limited to, developing and implementing the processes to promote evidence-based medicine and patient engagement, to report on quality and cost metrics and measures, and to coordinate care;

(b) Oversight and strategic direction of the Company;

(c) Holding Company leadership and management accountable for the Company's activities as an ACO and under the MSSP, as applicable;

(d) At all times while Company participates as an ACO under the MSSP, causing the Company to maintain compliance with the regulations applicable to MSSP, as provided by federal regulations found at 42 C.F.R. Part 425 (the “**MSSP Regulations**”);

(e) Determination of the responsibilities and rights and privileges of the Participating Provider Members;

(f) Defining and implementing defined processes to promote evidence-based medicine and beneficiary engagement, internally report on quality and cost metrics, and coordinate care;

(g) Promoting a focus on patient centeredness and ensuring that such focus on patient centeredness is integrated into practice by leadership and management of the Company working with its health care teams and implementing defined processes to fulfill such obligation;

(h) Ensuring that the Company at all times has a qualified healthcare professional responsible for the Company’s quality assurance and improvement program, which shall include the defined processes related to evidence-based medicine, promotion of patient engagement, internal reporting on quality and cost metrics, and coordination of care;

(i) Developing the Company’s strategic plan or business plan;

(j) Developing, implementing and overseeing operational process controls and measures to achieve the Company’s goals and objectives;

(k) Determination of the criteria, responsibilities, rights and privileges of network participants;

(l) Encouraging the development of a robust EHR infrastructure to be implemented within Company and among Company and Participating Provider Members pursuant to policies and procedures adopted by the Board from time to time;

(m) Development and implementation of policies and procedures related to provider compliance with Company policies, procedures and protocols, including the development and implementation of provider disciplinary and corrective action policies, procedures and protocols;

(n) Promoting the CI Program and evidence-based medicine that cover diagnoses with significant potential for the ACO to achieve quality improvements;

(o) Promoting patient engagement;

(p) Developing the CI Program and an infrastructure for ACO participants and ACO providers/suppliers to internally report on quality and cost metrics and use the results to improve care over time;

- (q) Coordinating care across and among primary care, specialists, and acute and post-acute providers and suppliers, including defining the ACO's methods and processes established to coordinate care throughout an episode of care and during its transitions;
- (r) Establishing and maintaining a transparent governing process;
- (s) Providing ACO participants with meaningful participation in the composition and control of the Board;
- (t) Defining, establishing, implementing, evaluating and periodically updating processes for use of shared savings, including the criteria for distributing shared savings;
- (u) Election of any officer;
- (v) Removal of any officer;
- (w) Overseeing and maintaining compliance with the Board's conflict of interest policy that includes a requirement for disclosure of relevant financial interests;
- (x) Development and implementation of a compliance plan for Company;
- (y) Providing oversight of the establishment and maintenance of ongoing quality assurance and performance improvement programs;
- (z) Implementing medical management plans and care management protocols and standard procedures;
- (aa) At all times while Company participates as an ACO under the MSSP, selecting a CMS-certified vendor to administer the patient experience of care survey and reporting results;
- (bb) Performing the annual review of the Service Agreement with NAH or an affiliate of NAH;
- (cc) Removing any Physician Manager, At-Large Manager or Medicare Beneficiary Manager;
- (dd) The implementation of forms of Provider Participation Agreements, including Provider Participation Agreement forms for all types of providers; and
- (ee) The establishment of a reasonable fee for, and/or reimbursement of expenses associated with, the attendance by Managers at meetings of the Board and/or work performed by Managers and the establishment of policies related to the documentation of such attendance and/or performance of work.

5.2 Supermajority Matters. Notwithstanding Section 5.12 and Section 5.15, the following actions (and any other actions specifically provided for in this Agreement) shall

require an affirmative vote of at least two-thirds (2/3) of the Managers (which affirmative vote must include the affirmative vote of the Equity Managers) (“**Supermajority Approval**”):

- (a) Termination of the membership of a Participating Provider Member, pursuant to Section 4.3(d);
- (b) Determination of the responsibilities and rights and privileges of the Equity Members;
- (c) Implementation of additional Membership Criteria;
- (d) Any change in the number of Managers;
- (e) Termination or rendering inactive of the Nominating Committee or any standing committee under Section 6.5;
- (f) A change in the name of the Company;
- (g) Making individual non-recurring unbudgeted expenditures in excess of \$30,000;
- (h) Making any unbudgeted capital expenditures the cost of which in any one fiscal year exceeds \$30,000;
- (i) Paying or distributing any compensation or other remuneration by the Company to any person or entity;
- (j) If the Company is participating as an ACO under the MSSP, any determination to renew or terminate such participation in the MSSP;
- (k) Hiring, annual evaluation, retention and/or termination of the independent auditors and legal counsel for the Company;
- (l) Selling, leasing, disposing, transferring, exchanging or otherwise disposing of any organization (or of substantially all of the assets of such organization) controlled by the Company if both (i) the value of the transaction exceeds \$30,000 and (ii) after such sale, lease, dissolution, transfer, exchange or other disposition, such organization (or substantially all of the assets of such organization) would no longer be controlled by the Company; and
- (m) Development and approval of all capital and operating budgets of the Company;
- (n) Development and/or entry into any agreement with a third party payer or self-insured employer or any other contract or agreement which imposes obligations on NAH or any affiliate of NAH (other than the Company, except to the extent Company obligations directly or indirectly impose obligations on NAH or any affiliate of NAH), including without limitation

any shared savings programs and other performance based arrangements with third-party payors and other entities;

- (o) Incurring, assuming or guaranteeing any indebtedness by the Company;
- (p) Merging, consolidating or reorganizing the Company with or into another person or entity;
- (q) Acquiring any ownership or control interest in a separate organization (including, without limitation, interests acquired by or through shares, membership or partnership or joint venture interests);
- (r) Selling, leasing or otherwise disposing of all or substantially all of the assets of the Company;
- (s) Applying for or consenting to the appointment of a receiver, trustee or liquidator of the Company or of all or a substantial part of its assets, filing a voluntary petition in bankruptcy, making a general assignment for the benefit of creditors, filing a petition or an answer seeking reorganization or similar arrangements with creditors, or taking advantage of any insolvency law;
- (t) Dissolution and winding up of the Company;
- (u) Any action or decision not to take action that may adversely affect the Section 501(c)(3) tax-exempt status of NAH or any of its affiliates;
- (v) Any action or decision not to take action that may adversely affect compliance with any bond indenture under which NAH or any affiliate of NAH is obligated; and
- (w) Provision of additional ACO, CI Program and network operations and support services to Members and other persons and entities.

5.3 Number of Managers. Unless the Board otherwise determines, the Board shall consist of up to seventeen (17) managers (excluding the Ex-Officio Manager and Community Managers) (collectively, the “**Managers**” and each, individually, a “**Manager**”).

(a) Equity Managers. Two (2) Managers shall be designated as the “**Equity Managers**” (each, individually, an “**Equity Manager**”). The Equity Managers shall be appointed by the Equity Member(s). Each individual serving as an Equity Manager shall serve at the pleasure of the Equity Member who appointed such Equity Manager and may resign or be removed, with or without cause, by the Equity Member who appointed such Equity Manager with any vacancy being filled by the Equity Member who appointed such Equity Manager.

(b) Physician Managers.

(i) Twelve (12) Managers, each of whom shall meet the qualifications set forth in Section 6.6(c)(i), shall be nominated, approved, and confirmed in accordance

with Section 5.4 (collectively, the “**Physician Managers**” and each, individually, a “**Physician Manager**”).

(ii) The term for each Physician Manager shall be for a period of three (3) years or until their successors are elected and qualified. Unless the Board otherwise determines, no Physician Manager may serve for more than two (2) consecutive three (3) year terms. After service of the maximum consecutive terms under the prior sentence, a physician may not be nominated to serve as a Physician Manager until the expiration of one (1) year after such physician last served as a Physician Manager. “**Primary Care Physician**” shall mean a physician primarily practicing family medicine, internal medicine, pediatrics or obstetrics/gynecology (provided such obstetrics/gynecology specialist provides primary care services). “**Specialist Physician**” shall mean a physician who is not a Primary Care Physician. With respect to the definitions of Primary Care Physician and Specialist Physician, the Board shall, from time to time, provide guidance and criteria to the Company and applicable committees related to the appropriate classifications of physicians (as Primary Care Physicians or Specialist Physicians) to ensure uniform use of the definitions throughout Company operations.

(c) At-Large Manager. One (1) Manager, who shall meet the qualifications set forth in Section 6.6(c)(ii), shall be nominated, approved, and confirmed in accordance with Section 5.4 (the “**At-Large Manager**”). The term for each At-Large Manager shall be for a period of three (3) years or until his/her successor is elected and qualified. Unless the Board otherwise determines, no At-Large Manager may serve for more than two (2) consecutive three (3) year terms. After service of the maximum consecutive terms under the prior sentence, an individual may not be nominated to serve as the At-Large Manager until the expiration of one (1) year after such individual last served as the At-Large Manager.

(d) Medicare Beneficiary Managers. Not more than two (2) Managers (but at least one (1) Manager), who shall meet the qualifications set forth in Section 6.6(c)(iii), shall be nominated, approved, and confirmed in accordance with Section 5.4 (the “**Medicare Beneficiary Managers**”). The term for each Medicare Beneficiary Manager shall be for a period of three (3) years or until his/her successor is elected and qualified. Unless the Board otherwise determines, no Medicare Beneficiary Manager may serve for more than two (2) consecutive three (3) year terms. After service of the maximum consecutive terms under the prior sentence, an individual may not be nominated to serve as a Medicare Beneficiary Manager until the expiration of one (1) year after such individual last served as a Medicare Beneficiary Manager. If there is only one (1) current Medicare Beneficiary Manager, the Board may, at any time, appoint a second Medicare Beneficiary Manager to serve and the individual appointed by the Board shall serve until the next annual meeting of the Members, at which point the second Medicare Beneficiary Manager shall be elected as provided in this Agreement. If there are two (2) Medicare Beneficiary Managers and the term of one (1) such Manager expires (or one (1) such Manager resigns or is removed or such Manager position otherwise becomes vacant), the Board may determine whether to continue with only one (1) Medicare Beneficiary Manager. In the event the Company no longer participates as an ACO under the MSSP, the Board, by Supermajority Approval, may remove the requirement for Medicare Beneficiary Managers and reduce the total number of Managers accordingly.

(e) Ex-Officio and Community Managers. Additionally, the Board may appoint one (1) individual to serve as a non-voting member of the Board (the “**Ex-Officio Manager**”), and may appoint one (1) or more Participating Provider Members (or their Practice Providers) that provide medical services in the communities served by NAH and its affiliates to serve as non-voting members of the Board (the “**Community Managers**”). The Ex-Officio Manager and Community Managers shall have the right to attend the meetings of the Board and participate in the discussions at such meetings. The individuals serving as the Ex-Officio Manager and Community Managers shall serve at the pleasure of the Board and may resign or be removed, with or without cause, by the Board with any vacancy being filled by the Board. The Ex-Officio Manager and Community Managers shall not be counted for quorum, voting or other purposes.

(f) Restriction. No individual may be eligible to serve as a Manager if such individual serves on the governing board or body or any committee of such governing board or body of any accountable care organization or similar entity which competes with the Company. Such an individual shall be deemed an “**Ineligible Person**”. Any Ineligible Person who is then serving as a Manager must resign his/her position as a Manager pursuant to Section 5.5(a) immediately upon becoming an Ineligible Person.

5.4 Nomination, Approval and Confirmation of Managers.

(a) Within forty-five (45) days prior to the annual meeting of the Board, the Nominating Committee shall meet to nominate a full slate of candidates to (i) fill the vacancies to be caused by the expiration of the terms of Physician Managers, the At-Large Manager and the Medicare Beneficiary Managers, as applicable, whose terms expire at the annual meeting of the Board; and (ii) replace those individuals serving as a Physician Manager, At-Large Manager or Medicare Beneficiary Manager, as applicable, due to a vacancy created pursuant to Section 5.5 or Section 5.6 and temporarily filled by the Board in accordance with Section 5.7. The Nominating Committee shall provide the full slate of candidates for Physician Manager, At-Large Manager and Medicare Beneficiary Manager, as applicable, to the Board within twenty-five (25) days prior to the annual meeting of the Board.

(b) At a meeting of the Board held prior to the annual meeting of the Members, a Supermajority Approval of the Managers whose terms do not expire at the annual meeting of the Board will be required to approve the full slate of candidates as the Physician Managers, At-Large Manager and Medicare Beneficiary Manager (the “**Approved Slate**”). The Board shall provide the Approved Slate to the Members within fifteen (15) days prior to the annual meeting of the Members.

(c) At the annual meeting of the Members, the affirmative vote of fifty-one percent (51%) of the Participating Provider Members present at the annual meeting and a majority of the Equity Members shall be required to confirm the Approved Slate.

(d) In the event the approval or confirmation requirements of Section 5.4(b) or Section 5.4(c), respectively, are not satisfied, the Board shall instruct the Nominating Committee to propose a new slate of candidates (a “**New Slate Request**”). The Nominating Committee shall have ten (10) days from a New Slate Request to propose a new slate of candidates to the

Board. The Board shall approve the new slate in accordance with the approval requirements of Section 5.4(b) through a meeting held in accordance with Section 5.9 or writing(s) in accordance with Section 5.15 (by Supermajority Approval). The Approved Slate shall be submitted to the Participating Provider Members and the Equity Members for confirmation in accordance with the requirements of Section 5.4(c) through a meeting held in accordance with Section 4.6(b). The process set forth in this Section 5.4(d) shall be repeated until a slate of candidates has been approved and confirmed in accordance with Section 5.4(b) and Section 5.4(c). Notwithstanding anything to the contrary herein, those Physician Managers, the At-Large Manager and Medicare Beneficiary Managers, as applicable, whose terms are set to expire at the annual meeting of the Board and those Physician Managers, the At-Large Manager and Medicare Beneficiary Managers, as applicable, who are serving in accordance with Section 5.7, shall serve until a slate of candidates has been approved and confirmed in accordance with Section 5.4(b) and Section 5.4(c).

5.5 Resignation. A Manager may resign at any time by giving written notice to the Company. The resignation of a Manager shall take effect upon the receipt of notice or at such time as shall be specified in the notice, provided the Company shall have the right to deem a resignation effective immediately (regardless of the time specified in the notice). The acceptance of the resignation shall not be necessary to make it effective.

5.6 Removal. Any removal of a Manager shall require the approval of the Board, provided that an Equity Manager may only be removed by the Equity Members. The Board shall remove a Physician Manager who fails to meet the Participating Provider Membership Criteria applicable to such Physician Manager. The Board shall remove an At-large Manager or Medicare Beneficiary Manager who fails to meet their applicable qualifications.

5.7 Vacancy. If a position of any Physician Manager, At-Large Manager or Medicare Beneficiary Manager is vacant for any reason, the Board may fill such vacancy and the individual appointed by the Board shall serve until the next annual meeting of the Members, at which point a Manager shall be elected as provided in this Agreement.

5.8 Annual Meeting. An annual meeting of the Board for the approval of Managers and officers, the consideration of reports, and such other business as may be brought before the meeting shall be held immediately following the annual meeting of the Members or on such other date and at such other place as may be specified by the Board.

5.9 Special Meeting. A special meeting of the Board may be called by the Chair of the Board of the Company (the “**Chair**”) or by any two (2) Managers and shall be held at such place, within or outside the State of Arizona, as may be established by the Chair or the Managers, as the case may be, calling the special meeting. Written notice of special meetings stating the date, time and place of such meeting and the purpose or purposes for which the meeting is called shall be delivered to each Manager, in person or by mailing or electronically mailing the same to the Manager’s last address or electronic mail address, as the case may be, appearing on the records of the Company not less than ten (10) days before the date of the meeting.

5.10 Waiver of Notice. A Manager may waive notice of any meeting either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Company's records. Attendance by a Manager at a meeting shall constitute waiver of notice of that meeting, except where such Manager objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item of business may not lawfully be considered at that meeting and does not participate in the consideration of the item of business at that meeting.

5.11 Quorum. A quorum shall exist at a meeting of the Board if a majority of the Managers (which must include at least one (1) Equity Manager) is present at the meeting. In the absence of a quorum at any meeting of the Board, the Chair or a majority of the Managers present may adjourn the meeting to another date, time and place with notice to the Managers given in the same manner as in the case of a special meeting.

5.12 Action at Meetings. Unless otherwise specifically provided by law or this Agreement (i.e. Supermajority Approval or otherwise), every act or decision done or made by a majority of the Managers present at a meeting duly held at which a quorum is present is the act of the Managers.

5.13 Participation in Person; Participation by Telephone. Managers may participate in the annual meeting or any special meeting by means of a conference telephone or other similar communications equipment pursuant to which all Managers participating in such meeting may simultaneously hear each other and such participation shall be deemed participation in person.

5.14 Proxies. An Equity Manager entitled to vote may do so in person at any meeting or by proxy executed in writing by that Equity Manager or by a duly authorized attorney-in-fact of that Equity Manager. A proxy shall be provided to the Secretary and placed in the Company's records before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

5.15 Written Consent. Unless otherwise specifically provided by the Arizona LLC Act or this Agreement (e.g. Supermajority Approval or otherwise), the Board may take action without a meeting if written consents are requested from all Managers and a majority of the Managers consents to or approves such action in one or more writings, and the writing or writings are placed in the Company's records.

ARTICLE 6 COMMITTEES

6.1 Committees. The Board may designate committees to serve at its pleasure and to have such powers and perform such functions as the Board may assign to them. Unless the Board otherwise determines (by Supermajority Approval), such committees shall include, without limitation, a Nominating Committee and certain standing committees as provided below. The resolution designating a committee shall set forth the composition of such committee, the duties, obligations and functions of such committee and such committee's authority. Each committee shall be subject to the supervision, management, control and authority of the Board.

The members of each committee shall be appointed by the Board and may be removed, with or without cause, by the Board.

6.2 Term. The term of each committee member will be determined by the Board.

6.3 Quorum. Unless the Board otherwise determines, a majority of the members of a committee shall constitute a quorum.

6.4 Manner of Acting. Unless the Board otherwise determines, the act of a majority of the members of a committee present at a meeting at which a quorum exists shall be the act of the committee. Any action which may be taken at a meeting of a committee may be taken without a meeting if a consent in writing setting forth the action shall be signed by a majority of the members of the committee entitled to vote.

6.5 Standing Committees. The following shall be standing committees: the Finance Committee, Network Committee, Data and Systems Committee and Clinical Committee and such other standing committees as the Board shall determine. These committees shall have the duties, obligations, functions and authority as designated by the Board. Each standing committee shall be chaired by a Manager, as determined by the Board. The Board may by Supermajority Approval terminate or otherwise render inactive any such standing committee.

6.6 Nominating Committee. In addition to the standing committees provided for in Section 6.5 above, the Board shall designate a nominating committee (the “**Nominating Committee**”), the functions of which shall be to consider the qualifications of potential candidates for Physician Manager, At-Large Manager and Medicare Beneficiary Manager positions and to make appropriate nominations of such potential candidates to (i) fill the vacancies to be caused by the expiration of the terms of Physician Managers, At-Large Manager and Medicare Beneficiary Managers whose terms expire at the annual meeting of the Board; and (ii) replace those individuals serving as a Physician Manager, At-Large Manager and Medicare Beneficiary Manager due to a vacancy created pursuant to Section 5.5 or Section 5.6 and temporarily filled by the Board in accordance with Section 5.7.

(a) Composition. Unless the Board otherwise determines, the Nominating Committee shall consist of five (5) members selected by the Board. Such Members shall include two (2) Physician Managers and three (3) additional individuals (the “**Additional Committee Members**”). The Additional Committee Members shall be selected by the Board from the Participating Provider Members and their Practice Providers who are physicians (and who are not also Physician Managers) and from individual non-physician residents of the community served by the Company, with at least one (1) Additional Committee Member from each such category.

(b) Nominations. The Nominating Committee shall nominate and deliver a proposed slate of candidates for Physician Manager, At-Large Manager and Medicare Beneficiary Manager in accordance with Section 5.4.

(c) Qualifications.

(i) Physician Managers. The Nominating Committee shall, in considering the qualifications of potential candidates for Physician Manager positions, ensure that each potential candidate meets the following requirements: (A) is a Participating Provider Member (or a Practice Provider of a Participating Provider Member) (unless otherwise approved by NAH); (B) is willing to commit an appropriate number of hours to service as a Physician Manager; (C) meets the designation as a Primary Care Physician or Specialist Physician, as applicable, and (D) such other requirements as the Board or Nominating Committee may establish from time to time. Additionally, the Nominating Committee must ensure that, at all times, at least seven (7) Primary Care Physicians and four (4) Specialist Physicians are represented as Physician Managers on the Board. An “**Independent Physician**” is a physician who is not employed by a hospital, hospital system or an affiliate of a hospital or hospital system.

(ii) At-Large Manager. The Nominating Committee shall, in considering the qualifications of potential candidates for At-Large Manager, ensure that each potential candidate meets the following requirements: (A) is a member of the community served by the Company and a non-physician; (B) is willing to commit an appropriate number of hours to service as At-Large Manager; and (C) such other requirements as the Board or Nominating Committee may establish from time to time.

(iii) Medicare Beneficiary Managers. Each Medicare Beneficiary Manager must be an individual who: (A) is a Medicare beneficiary, (B) is served by the Company and its MSSP ACO, (C) is not an ACO provider/supplier, (D) does not have a conflict of interest with the Company and (E) does not have an immediate family member who has a conflict of interest with the Company.

(iv) Considerations. The Nominating Committee shall, in determining potential candidates for Physician Managers, the At-Large Manager and Medicare Beneficiary Managers, consider (i) the balance between the number of Physician Managers who are Independent Physicians and those who are not Independent Physicians; (ii) the geographic distribution of current Physician Managers and nominees and (iii) the demographics, services and expertise needed to support the Company’s success.

(v) MSSP. Notwithstanding anything contained in this Agreement to the contrary, at all times while the Company participates as an ACO under the MSSP, at least seventy-five percent (75%) of the voting Manager positions shall be held by ACO Participants (as defined in the MSSP Regulations) (either directly or through their designated representatives).

ARTICLE 7 OFFICERS

7.1 Officers. The officers of the Company shall be the Chair, Vice-Chair, President, Medical Director, Treasurer, and Secretary, each as elected in accordance with Section 5.1(u) and Section 7.2 and such other officers or assistant officers as may be determined necessary from time to time by the Board and elected in accordance with Section 5.1(u).

7.2 Term. The officers shall be elected at the annual meeting of the Board and shall, unless otherwise set forth in this Agreement, serve for a term of two (2) years. There is no limit on the number of terms an officer may serve.

7.3 Resignation. Any officer or assistant officer may resign at any time by giving written notice to the Board or the Secretary. The resignation of an officer shall take effect upon the receipt of notice or at such time as shall be specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

7.4 Removal. The Board shall have the right to remove any officer.

7.5 Vacancy. The Board may fill any officer vacancy.

7.6 Chair. The Chair shall call and preside at all meetings of the Board. The Chair shall provide leadership to the Board and its committees. The Chair shall also have such other authorities and duties as are designated from time to time by the Board.

7.7 Vice-Chair. In the absence or disability of the Chair, the Vice-Chair shall temporarily assume the duties of the office of the Chair and while so acting, the Vice-Chair shall have all the powers and authorities of, and shall be subject to the restrictions upon, the Chair. The Vice-Chair shall also have such other authorities and duties as are designated from time to time by the Board.

7.8 President. The President shall be the chief executive officer of the Company and shall report directly to the Board. The President shall manage and have general supervision, administration and direction over the operations of the Company, its facilities and employees, if any, subject to the overall authority of the Board. The President shall ensure that the President and his or her leadership team demonstrate the ability to influence or direct clinical practice to improve efficiency processes and outcomes. The President shall also have such other authorities and duties as are designated from time to time by the Board.

7.9 Medical Director. The Medical Director shall manage the Company's clinical management and oversight, and shall be a board-certified physician licensed to practice medicine in the State of Arizona. If the Company participates as an ACO under the MSSP, the Medical Director must be physically present on a regular basis at any clinic, office or other location participating in the Company MSSP ACO. The Medical Director shall also have such other authorities and duties as are designated from time to time by the Board.

7.10 Treasurer. The Treasurer shall have supervision of all funds of the Company and shall have such other authorities and duties as are designated from time to time by the Board.

7.11 Secretary. The Secretary shall take or cause to be taken minutes of all meetings of the Board and the Members and shall be custodian of all records and reports of the Company. The Secretary shall also have such other authorities and duties as are designated from time to time by the Board.

ARTICLE 8 FIDUCIARY DUTY

8.1 Fiduciary Duty. Each Manager, committee member and officer of the Company (each, a “**Fiduciary**”) shall perform his or her duties as a Fiduciary of the Company (a) in good faith; (b) with such care as an ordinarily prudent person in a like position would use under similar circumstances; and (c) in the best interests of the Company. Each Manager shall also have the duty to exercise undivided loyalty to the Company when acting on the Company’s behalf.

ARTICLE 9 CONFIDENTIALITY

9.1 Confidentiality. Each Manager, officer of the Company and member of a committee of the Company (each a “**Company Representative**”) shall, and shall cause its respective officers, directors, trustees, employees, agents, consultants and representatives (if applicable) (the officers, directors, trustees, employees, agents, consultants and representatives of a Company Representative are referred to collectively herein as “**Representatives**”) to, keep confidential all, and shall not divulge to any other party, other than those of its Representatives working on or otherwise having a need to know, any of the proprietary, confidential information of the Company, including without limitation, information relating to such matters as finances, methods of operation and competition, pricing, marketing plans and strategies unless such information (i) is or becomes generally available to the public other than as a result of disclosure by such Company Representative or Representative; or (ii) is required to be disclosed by law or by a judicial, administrative or regulatory authority. Additionally, each Company Representative shall keep the terms of this Agreement strictly confidential.

ARTICLE 10 CONFLICTS OF INTEREST

10.1 Conflict of Interest Policy. The Company shall at all times have in effect a conflict of interest policy that applies to the Managers, officers of the Company and committee members. The conflict of interest policy must (a) require such individuals to disclose relevant financial and other interests (which may include an annual attestation); (b) provide a procedure to determine whether a conflict of interest exists and set forth a process to address any conflicts that arise and (c) address remedial action for individuals that fail to comply with the policy.

10.2 Use of Experts. In conducting the periodic reviews provided for in Section 10.2, the Company 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 11 DISSOLUTION

11.1 Dissolution. The Company shall be dissolved upon approval by NAH or upon the occurrence of any other event which causes the mandatory dissolution of the Company pursuant to the Arizona LLC Act.

11.2 Winding Up. Upon dissolution, an accounting shall be made by Company's independent accountants of the accounts of Company and of Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Board shall immediately proceed to wind up the affairs of Company.

11.3 Liquidation; Distribution of Assets on Dissolution. If Company is dissolved and its affairs are to be wound up, the Board shall sell or otherwise liquidate all of Company's assets as promptly as practicable and apply and distribute the proceeds thereof as follows:

(a) The proceeds shall first be applied to the payment of the liabilities of the Company and the expenses of liquidation.

(b) Any or all proceeds remaining after paying the liabilities shall be distributed to the Equity Members in accordance with their positive capital accounts.

ARTICLE 12 MISCELLANEOUS

12.1 Fiscal Year. The fiscal year of the Company shall commence on July 1st of each year and end on June 30th of the following year.

12.2 Amendment of Agreement.

(a) Any provision of this Agreement may be amended, or an amended and restated operating agreement may be adopted, only upon recommendation of the Board and approval by NAH.

(b) Notwithstanding the foregoing or any other provision of this Agreement, NAH shall have the authority to amend this Agreement without any vote or other action by the other Members or Board: (i) for purposes of forming, qualifying or continuing the Company as a limited liability company in all jurisdictions in which the Company conducts or plans to conduct business, (ii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, to clarify any provision of this Agreement, or to add or make any other provisions with respect to matters or questions arising under this Agreement (provided such change will not be inconsistent with the provisions of this Agreement), and (iii) to the extent deemed necessary or appropriate by NAH to bring the Company and this Agreement into compliance with any federal or state laws or administrative regulations, including the laws and regulations related to the MSSP (including without limitation any amendment necessary in connection with any participation by the Company in the MSSP).

(c) Notwithstanding the foregoing or any other provision of this Agreement, NAH shall have the authority to amend this Agreement without any vote or other action by the other Members or Board in connection with the admission of any Equity Member. Such amendments may include, without limitation, a change in the number of Equity Managers and

the manner by which such Equity Managers are appointed (provided that, unless otherwise approved by Supermajority Approval of the Board, (i) Physician Managers shall maintain the same proportional majority of the number of Manager positions as prior to the change in number of Equity Managers (including without limitation, any percentage required under MSSP regulations if the Company is then participating as an ACO under the MSSP) and (ii) additional Physician Managers shall be added as necessary to maintain such proportional majority), manner of allocation of income and loss among Equity Members, distributions among Equity Members, restrictions on transfers of interests in the Company by Equity Members, and redemption and purchase mechanisms among Equity Members. NAH shall seek the counsel and advice of the Board in connection with any such amendments, but shall not be required to receive Board or Member approval of any such amendments.

12.3 No Third Party Beneficiaries. This Agreement is for the exclusive benefit of the Company. This Agreement is not intended for the benefit of any creditor of the Company or any other person. Except to the extent otherwise provided by applicable law, no creditor or third party shall have any rights under this Agreement to any capital contribution or otherwise.

12.4 Headings. Article and Section headings are for convenience of reference only and shall not be used to construe the meaning of any provision of this Agreement.

12.5 Exhibits. All exhibits, schedules and documents referred to in or attached to this Agreement are integral parts of this Agreement as if fully set forth herein.

12.6 NAH. Notwithstanding any other provision of this Agreement, if NAH concludes in good faith that a Board or Company action or decision not to act would jeopardize NAH's tax-exempt status, cause NAH or any of its affiliates to default under any bond indenture, result in any of the income allocated to NAH from the Company to be treated as "unrelated business taxable income" within the meaning of Section 512 of the Internal Revenue Code, or cause NAH to violate any applicable federal or state law, NAH shall have the authority and power to prevent such action.

12.7 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona. The venue for any dispute relating to this Agreement will be Coconino County, Arizona.

****** *Remainder of Page Blank / Signature Page Follows* ******

IN WITNESS WHEREOF, NAH has executed this Agreement as of Effective Date.

NAH:

NORTHERN ARIZONA HEALTHCARE
CORPORATION

By: _____

Name: _____

Title: _____