

**MERCY HEALTH SERVICES, INC.**

**ARTICLES OF INCORPORATION**

FIRST: I, the undersigned, Linda H. Jones, whose address is 218 N. Charles Street, Suite 400, Baltimore, Maryland 21201, being at least eighteen (18) years of age, hereby form a nonstock corporation under the Maryland general corporation laws.

SECOND: The name of the corporation (hereinafter referred to as the "Corporation") is Mercy Health Services, Inc.

THIRD: The Corporation is organized and shall be operated exclusively for community benefit purposes and for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue law) (hereinafter, the "Code") by supporting or benefiting or carrying out some or all of the purposes of Mercy Medical Center, Inc. (the "Medical Center"), Stella Maris, Inc. (the "Nursing Facility") and Mercy Health Foundation, Inc., each of which is a non-private foundation under Section 509(a)(1) or (2) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Revenue Law), and, in furtherance of these purposes, the Corporation may:

(a) Implement, promote, develop, encourage and assist the Medical Center, the Nursing Facility, the Foundation, ambulatory and auxiliary care facilities, physician office and other health care facilities, alternative delivery systems, managed care programs and other health care programs in order to provide for the health, social and pastoral needs of the community, including those who are sick, disabled, poor or disadvantaged;

(b) Provide leadership for the Medical Center, the Nursing Facility, the Foundation and all other nonprofit and for-profit controlled subsidiaries of the Corporation (collectively, the "Health System"), by planning, directing, and establishing policy related to the development and ultimate delivery of health care services by the Health System on an integrated and cost-effective basis;

(c) Provide overall planning and coordination of the delivery of health care services, facilities and programs, including the implementation, development and improvement of managed care strategies in the service area of the Health System;

(d) Arrange and secure capital to provide for the operation and implementation of the facilities and programs of the Health System;

(e) Carry out the mission, purposes and operations of the Corporation and the Health System in accordance with the moral and ethical teaching of the Roman Catholic Church;

(f) Receive contributions and property, tangible and intangible, from any person, firm or corporation and own, hold, manage, invest, reinvest, and contribute all such

contributions and property in such manner and at such times as the Corporation may deem best to carry out the charitable purposes described herein, and to acquire, own, hold, develop, manage, lease and invest and reinvest in, real or personal property, tangible or intangible, and to borrow monies with respect to the acquisition and investment in such property;

(g) Otherwise operate exclusively for charitable, community benefit, scientific and educational purposes within the meaning of Section 501(c)(3) of the Code; and

(h) Have and exercise to the extent necessary or desirable for the accomplishment of any of the aforesaid purposes, and to the extent that they are not inconsistent with the charitable purposes of the Corporation, any and all powers conferred upon non-stock corporations by the Maryland General Corporation Law.

FOURTH: The post office address of the principal office in this State is 301 St. Paul Street, Baltimore, Maryland 21201. The resident agent of the Corporation in this State is Linda H. Jones, whose post office address is 218 N. Charles Street, Suite 400, Baltimore, Maryland 21201. Said resident agent is a citizen of the State of Maryland and actually resides therein.

FIFTH: The Corporation is not authorized to issue any capital stock or membership certificates.

SIXTH: The business and affairs of the Corporation shall be managed under the direction of its Board of Trustees, consisting of a minimum of five (5) and a maximum of twenty-five (25) members. The names of the persons who currently serve as Trustees of the Corporation are:

P. McEvoy Cromwell	Patrice M. Cromwell
Diane L. Featherstone	Sr. Kathleen Feeley
Sr. Carol Wheeler	Sr. Doris Gottemoeller
Sr. Helen Amos	Lois H. Halpert
Sr. Louis Mary Battle	Robert L. Quarles, Jr.
Michael J. Batza, Jr.	G. Lee Russo
Sr. Margaret Beatty	Stanley B. Silber
Richard O. Berndt	Walter Sondheim, Jr.
George M. Boyer	Sr. Barbara Wheeley
Edward L. Cahill	Donald E. Wilson
Jeremiah E. Casey	Sr. Mary Thomas Zinkand

Trustees holding office from time to time shall constitute the members of the Corporation. The number of Trustees may be increased or decreased in the manner provided in the Bylaws but shall never be less than three.

SEVENTH: The powers of the Corporation shall be subject to the following terms, provisions and limitations:

(a) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any member, Director or officer of the Corporation, or any private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered to or for the Corporation and to make payments in furtherance of the purposes set forth herein.

(b) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidates for public office.

(c) Notwithstanding any other provision of these Articles, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code or by an organization, contributions to which are deductible under Section 170(c)(2) thereof.

EIGHTH: The Corporation shall be sponsored by the Sisters of Mercy, Baltimore, Inc. ("Sisters of Mercy") as more fully described in the Sponsorship Agreement between the Sisters of Mercy and the Corporation.

NINTH: In the event of the liquidation, dissolution or winding up of the Corporation in any manner or for any reason whatever, all of the assets of the Corporation, after the payment of the obligations and liabilities of the Corporation, shall be distributed by the Trustees, with the approval of the Sisters of Mercy, to one or more organizations that are organized and operated exclusively for charitable, religious, scientific or educational purposes and that at the time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law).

TENTH: In accordance with its Bylaws and subject to the written approval of the Sisters of Mercy, the Corporation reserves the right to make from time to time, by the vote of a majority of the Trustees, any amendment to these Articles which may now or hereafter be authorized by law.

IN WITNESS WHEREOF, I, the undersigned Incorporator, have signed these Articles of Incorporation on this \_\_\_\_\_ day of \_\_\_\_\_, 1999, and acknowledge the same to be my act.

ATTEST:

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Resident Agent Consent for Mercy Health Services, Inc.

I hereby consent to act as resident agent in Maryland for Mercy Health Services, Inc.

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Witness

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Linda H. Jones