

BYLAWS

OF

MERCY HEALTH SERVICES, INC.

ARTICLE I

Name and Location of Offices

The name of the Corporation shall be MERCY HEALTH SERVICES, INC. (the "Corporation"). The Corporation shall maintain a principal office and a registered agent in the State of Maryland.

ARTICLE II

Purposes and Sponsorship of Corporation

Section 2.1. Purposes. The purposes of the Corporation, as more fully stated in the Articles of Incorporation, are exclusively charitable, educational, scientific, religious and are for community benefit within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation shall support, benefit and carry out some or all of the purposes of Mercy Medical Center, Inc. (the "Medical Center"), Stella Maris, Inc. (the "Nursing Care Facility") and Mercy Health Foundation, Inc. (the "Foundation"). Consistent with these purposes, the Corporation shall provide leadership to the Medical Center and all of the Corporation's controlled subsidiaries (the Medical Center, Nursing Care Facility and the controlled subsidiaries are referred to collectively as the "Subsidiaries") by planning, directing and establishing policy related to the development and ultimate delivery of health care and other community services by the Subsidiaries on an integrated and cost-effective basis. The Corporation shall also provide, in conjunction with the Subsidiaries, overall planning and coordination of the delivery of health care and other community services, facilities and programs in the service area served by the Corporation and the Subsidiaries, and shall coordinate the provision of patient care and community services, the development and implementation of managed care strategies, and the securing and arranging of capital to provide for the operation and implementation of the facilities and programs of the Corporation and the Subsidiaries. The Corporation shall work to ensure that the Subsidiaries continue to provide medical care of the highest attainable professional excellence to the sick of every race, color, creed, national origin and economic condition.

Section 2.2. Sponsorship. The Sisters of Mercy of the Americas South Central Community (successor to the Sisters of Mercy, Baltimore, Inc.) ("Sisters of Mercy") have been providing health care in the City of Baltimore since 1874. The Medical Center was incorporated by the Sisters of Mercy in 1945 and the Sisters have sponsored the Subsidiaries in a manner which is characterized by the conviction that every individual, regardless of creed or condition, requires the ultimate effort for excellence in service because of his or her infinite value in the eyes of God. The Sisters of Mercy will sponsor the Corporation based on the same conviction. Sponsorship by the Sisters of Mercy means that the Corporation and the Subsidiaries are linked to the Roman Catholic

Church, its mission, beliefs, and commitment; are engaged in service motivated by belief in a merciful God and characterized by compassion; and have a publicly recognized, substantive relationship with the Sisters of Mercy. The sponsorship of the Corporation by the Sisters of Mercy is more fully described in a Sponsorship Agreement between the Corporation and the Sisters of Mercy (the "Sponsorship Agreement").

In order to state fully the underlying philosophy of the Corporation, the Board of Trustees shall adopt and annually renew or amend the Corporation's Mission Statement and said Mission Statement shall be considered one of the Corporation's basic documents. Further, in implementing said Mission Statement in a concrete manner, the Board of Trustees shall each year review and approve the Corporation's annual Corporate Priorities before the Board takes action upon the annual budget. The Board of Trustees shall at all times endeavor to foster the finest attainable technical medical expertise, to assure humane and compassionate patient care and to maintain the highest respect for each patient's dignity as a human being.

ARTICLE III

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of July of each year, and end at the close of the last day of June next succeeding.

ARTICLE IV

Board of Trustees

Section 4.1. Responsibility of Trustees.

(a) In General. The Board of Trustees shall be the governing body of the Corporation and shall be responsible for the management of its property, business and affairs, with the exception of the powers which are reserved to the Sisters of Mercy under Article XII of these Bylaws. Subject to the reserved powers of the Sisters of Mercy, the Board of Trustees shall have full legal and moral authority for the conduct of the Corporation and the Subsidiaries. The Board of Trustees also is responsible for assuring that the Subsidiaries operate in accordance with the Ethical and Religious Directives for Catholic Health Care Services.

(b) Health Care Professionals, Privileges. The Board of Trustees shall be responsible for all appointments and reappointments to the Medical Staff of the Medical Center and for all other actions related to a health care professional's privileges at the Medical Center. The Board of Trustees shall hold the Medical Center's medical staff responsible for making recommendations concerning medical staff appointments, reappointments, termination of appointments, the delineation of clinical privileges, and the curtailment of clinical privileges, all in keeping with the processes and procedures set forth in the Medical Center's Medical Staff Bylaws and Rules and Regulations, all of which are only effective upon the approval of and adoption by the Board of Trustees.

Section 4.2. Composition of Board

(a) In General. The Board of Trustees shall not have fewer than five (5) nor more than thirty (30) Trustees. The exact number of Trustees shall be designated by the Board of Trustees from time to time. The President of the Corporation shall be an ex-officio voting member of the Board of Trustees. At all times the membership of the Board of Trustees shall reflect the significant presence of and participation of the Sisters of Mercy, but a majority of the members of the Board of Trustees need not be Sisters of Mercy. Areas of general competence that should be represented on the Board are: administration and management, finance, medical and allied arts, industry, consumer interests, education, religion and social concerns.

(b) Representatives of Medical Center's Medical Staff. The current and the immediate past Presidents of the Medical Staff of the Medical Center shall, as a result of their offices, be full voting members of the Board of Trustees. If the President or the immediate past President is unwilling or unable to serve on the Board, then the Medical Staff Vice President shall fill the term or remaining term of the physician who cannot serve. If the Vice President is unwilling or unable to serve or if two substitutes are needed, the Executive Committee shall select a replacement physician. A physician serving on the Board as a result of his or her Medical Staff Presidency or as a substitute for such a physician shall become ineligible to serve if that physician no longer has an active practice at the Medical Center.

Section 4.3. Appointment and Term of Trustees. The Board of Trustees shall be a self-perpetuating body. Except as provided in Section 4.3(b), each member of the Board of Trustees shall serve an initial term of four (4) years and shall be eligible for election by a majority of the Board of Trustees for additional consecutive terms. Newly proposed members of the board shall be nominated by the Nominating Committee and elected by a majority vote of the Board of Trustees. Each of the Trustees shall hold office until (a) his/her term expires; (b) death; (c) resignation, or (d) removal by the Board whichever shall first occur. If the office of any Trustee becomes vacant by reason of death, resignation, or removal by the Board, the remaining Trustees may elect a successor or successors. Any such vacancy may be filled by the majority vote at any regular or special meeting of the Board of Trustees.

Section 4.4. Removal of Trustees. Any Trustee may be removed from the Board of Trustees at any time with or without cause by the affirmative vote of at least a majority of the Trustees then serving.

Section 4.5. Powers and Responsibilities of Trustees. The Trustees shall constitute the sole voting members of the Corporation and the Board of Trustees shall have the control, management and supervision of the affairs, funds, conduct, business and properties of the Corporation and Subsidiaries, with the exception of powers reserved to the Sisters of Mercy in accordance with Article XII of these Bylaws. The administrative powers of the Corporation shall be vested in the Board of Trustees, which shall have the power and authority to do and perform all acts and functions not inconsistent with these Bylaws, the Articles of Incorporation or the laws of the State of Maryland. All members of the Board of Trustees shall file annual business disclosure forms with the Corporation's President for timely filing with the Maryland Health Services Cost Review Commission, and the President shall report to the Board upon the filing of said information.

Further, the Board of Trustees shall establish an internal conflict of interest policy, setting forth standards for disclosure and required Board action.

Section 4.6. Meetings and Notice. The Board of Trustees shall meet at such time and at such place as the Trustees shall determine. An annual meeting of the Board of Trustees shall be held during each fiscal year. Written notice of all regular Board of Trustee meetings shall be given to each Trustee at least five days before the date of the meeting, which notice may, but need not, state generally the nature of the business to be taken up at the meeting. Such notice may be delivered by first-class mail, private courier, facsimile or email. Special meetings of the Board of Trustees may be called by the President by notice served personally upon each Trustee, or mailed, sent by facsimile, telephoned or emailed to each Trustee at the address, telephone number or email address indicated in the Corporation's records. Such notice shall be given at least three (3) days prior to the special meeting.

Section 4.7. Waiver of Notice. Notice of any meeting of the Board of Trustees may be waived by the person or persons entitled to the notice either before or after the time of the meeting. Such waivers of notice are to be filed by the Secretary with records of the meeting. The attendance of a Trustee at any meeting, without protesting the lack of proper notice prior to or at the commencement of the meeting, shall constitute a waiver of notice of such meeting.

Section 4.8. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. If less than a quorum of the Trustees is present at a meeting, a majority of the Trustees present may adjourn the meeting to another time without further notice. A record of attendance shall be kept of all meetings and the minutes shall be recorded and distributed to all Trustees prior to the next regular meeting.

Section 4.9. Executive Committee. There shall be an Executive Committee composed of those Trustees who hold the Office of Chairperson, Vice Chairperson, President, Treasurer, Secretary, and at least two (2) other Trustees designated by the Chairperson, one of whom shall be a non-religious. The Chairperson of the Board of Trustees shall designate a member of the Executive Committee as its chairperson. The Executive Committee shall meet at such times and places as it shall determine. The Executive Committee may be convened upon personal notice given by its chairperson and shall be authorized and have power to make decisions and to take action on behalf of the Board relating to corporate matters without awaiting any special or regular meeting of the full Board of Trustees. All resolutions and actions of the Executive Committee shall be submitted to the full Board of Trustees at its next regular meeting and the Board shall either ratify, alter, or rescind any such resolutions or actions. A majority of the Executive Committee shall constitute a quorum for the transaction of the committee's business, but the President must constitute one of the Trustees present at the Executive Committee meeting.

Section 4.10. Unanimous Consent Action by the Board of Trustees or Executive Committee. Any action that is required to be or may be taken at a meeting of the Trustees or the Executive Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the voting members of the Board of Trustees or the Executive Committee. The consent shall have the same force and effect as a unanimous vote at a meeting duly held, and may be stated as such in any certificate or document. A consent may be executed in one or more counterparts, all of which together shall constitute one unanimous consent of the

Trustees or the Executive Committee members. The Secretary shall file the consent with the minutes of the meetings of the Board of Trustees or the Executive Committee. Action taken under this Section is effective when the last Trustee or Executive Committee Member signs the consent, unless the consent specifies a different effective date.

Section 4.11. Meeting by Conference Telephone. Members of the Board of Trustees, or of any committee of the Board of Trustees, may participate in a meeting of the Board of Trustees or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other simultaneously. Participation in a meeting in this manner shall constitute presence in person at the meeting.

Section 4.12. Manner of Acting. The act of a majority of the voting Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by statute, the Articles of Incorporation of the Corporation or these Bylaws.

Section 4.13. Prohibition Against Use of Proxy. Members of the Board of Trustees may neither establish a quorum nor vote by proxy.

ARTICLE V

Officers of the Board of Trustees

Section 5.1. Officers. The officers of the corporation shall be a Chairperson of the Board, Vice Chairperson of the Board, a Secretary and Treasurer, all of whom shall be elected from among the members of the Board at the annual meeting and shall serve for a term of one (1) year or until their successors are elected. There shall be no limitation on the number of successive terms a Board member may serve as an officer. The Corporation shall also have a President, the Corporation's Chief Executive Officer, who shall be appointed by the Board and serve at its pleasure. The President shall be an ex-officio, voting member of the Board. The Board may also create such other operating officers of the corporation as it deems appropriate, from time to time, who shall serve under the direction of the President and who shall not be members of the Board of Trustees. The President shall bring recommendations to the Board for its approval or disapproval in connection with the establishment and appointment of additional operating officers.

Section 5.2. Chairperson and Vice Chairperson. The Chairperson of the Board shall preside at meetings of the Board of Trustees. He or she shall appoint all chairpersons and members of standing and special committees of the Board except as otherwise herein indicated, upon consultation with the President. The Chairperson shall be an ex-officio, voting member of all committees of the Board. The Vice Chairperson shall carry out the duties of the Chairperson in his or her absence.

Section 5.3. President. The President shall be the Chief Executive Officer of the Corporation, and as such, under the direction of the Board of Trustees, shall have full charge of all activities and employees of the Corporation and Subsidiaries. The President shall be an ex-officio, voting member of all Board committees.

Section 5.4. Absence of President. In the absence of the President, his or her duties shall devolve on such other person as may be designated by the President.

Section 5.5. Treasurer. The Treasurer shall be responsible for assuring the Board of Trustees that the Corporation's and Subsidiaries' financial matters are administered and carried out in a reasonable, prudent and orderly fashion. The Treasurer shall assure the Board, through the process of an annual financial audit, that all internal financial control procedures are met and that accounting rules and regulations for health care organizations have been followed. The Treasurer shall meet from time to time, at his or her discretion, with the Corporation's Chief Financial Officer, and he or she shall assure that the Board of Trustees and its Executive Committee receive regular, full reports of the Corporation's financial condition.

Section 5.6. Secretary. The Secretary shall assure that all the votes and proceedings of the Board of Trustees are recorded in a book kept for that purpose and shall attend to the giving and serving of all notices required by law or these Bylaws. He or she shall perform such other duties as pertain to his or her office, or as the President and the Board of Trustees may require. The Secretary shall authenticate the record of all Board of Trustee proceedings. As needed, these duties may be performed by an Assistant Secretary who will be designated by the President and may be an employee of the Corporation or a Subsidiary.

Section 5.7. Authority for Disbursement and Obligations. All checks for payment of money shall be subject to the signatures of any two (2) authorized persons, designated by the President and approved by the Board of Trustees. All promissory notes, acceptances, contracts, deeds, mortgages, and other papers binding the Corporation shall be signed by corporate officers, in accordance with the authority accorded them by the Board.

ARTICLE VI

Committees

Section 6.1. Standing Committees. In addition to the Executive Committee herein provided, there shall be the following standing committees whose membership may include persons other than Trustees:

- (a) Finance-Investment Committee
- (b) Nominating Committee
- (c) Medical Affairs/Quality Committee
- (d) Bylaws Committee
- (e) Audit Committee
- (f) Mission and Corporate Ethics Committee

- (g) Planning Committee
- (h) Compensation Committee
- (i) Committee for Medical Staff Credentialing

Section 6.2. Additional Standing Committees. Additional standing committees will be formed as authorized by resolution of the Board of Trustees.

Section 6.3. Special Committees. Special Committees shall be appointed for special tasks as circumstances warrant and shall limit their activities to the accomplishment of the tasks for which they are appointed. The Chairpersons of all Special Committees shall report in writing to the full Board of Trustees upon the completion of the project.

Section 6.4. General Provisions Regarding Committees. Except as otherwise provided, the members of each Standing or Special committee, and the chairperson of each committee, shall be appointed by the Chairperson of the Board. The Chairperson of the Board may appoint knowledgeable non-Board members as voting members of the Board committees in order to obtain additional expertise in certain areas of committee interest. Each Board committee shall have at least three (3) members. A majority of the committee members shall constitute a quorum. All committees shall meet as often as deemed necessary by the committee chairperson to carry out the committee's purposes. All committees shall make reports of their work and recommendations back to the Board of Trustees in accordance with these Bylaws or as required by resolution of the Board of Trustees.

Section 6.5. Finance-Investment Committee. The Finance-Investment Committee shall be responsible to oversee investments and matters of fiscal policy, budget preparation and performance, and fiscal standing and to report thereon to the Board of Trustees. The Committee shall recommend to the Board of Trustees adoption of official positions on significant financial matters, including the annual operating and capital budgets. The Finance-Investment Committee shall direct the investment of the funds of the Corporation and the action of this Committee shall be sufficient authority for the transfer of the securities of the Corporation or for the execution of any instruments necessary to pass title thereto. It shall have the power to make arrangements for the care, delivery and protection of securities of the Corporation and advise with respect to investments as it deems necessary. The Committee shall consist of not less than 5 persons.

Section 6.6. Nominating Committee. At least two members of the Nominating Committee shall be Trustees and at least one member of the Nominating Committee must be an individual (who may or may not be a Trustee) selected by the Sisters of Mercy. The Nominating Committee shall submit the names of persons to fill vacancies existing on the Board of Trustees. The Nominating Committee shall also propose nominees to the Board of Trustees at the annual meeting for the offices of Chairperson, Vice Chairperson, Treasurer, and Secretary.

Section 6.7. Medical Affairs/Quality Committee.

(a) Role of Committee. The Medical Affairs/Quality Committee shall oversee the quality of care rendered by the Subsidiaries and shall provide liaison among the Board, the Medical Staff and the Administration of the Corporation. The Committee shall:

(i) Assist communication among the Board, the Medical Staff and the Administration to keep each cognizant of the pertinent actions taken or contemplated by the others;

(ii) Consider issues affecting the quality of medical care which arise in the operations and affairs of the Subsidiaries; and

(iii) Review and discuss reports on the level of institutional care quality and utilization.

(b) Committee Membership. The Committee shall have the following members:

(i) The President of the Medical Center's Medical Staff.

(ii) The Chairperson of the Medical Executive Committee.

(iii) The President of the Corporation.

(iv) One member of the Medical Executive Committee, elected by the Committee.

(v) Two or more members of the Board of Trustees as determined by the full Board of Trustees.

(vi) In the event that the President of the Medical Center's Medical Staff and the Chairperson of the Medical Executive Committee are the same person, an additional member is to be selected by the Medical Executive Committee.

(vii) In addition, the Chief Medical Officer and the Director of the Quality Department shall attend the meetings of this committee as ex-officio, voting members.

Section 6.8. Bylaws Review Committee. The Bylaws Review Committee shall make a continuous study of these Bylaws and recommend at least once annually such amendments as it may deem appropriate.

Section 6.9. Audit Committee. The Audit Committee shall review annual audit planning and results of the annual audit including the management letter. Among other things, the Committee shall:

(a) Review all significant financial information of the Corporation and Subsidiaries to ensure that it is accurate and that it includes all appropriate disclosures.

(b) Ensure that the Corporation and Subsidiaries have an effective accounting and internal control system.

(c) Provide open communication between the auditors and the Board of Trustees.

(d) Receive reports from the Corporate Responsibility Committee. The Corporation's Compliance Officer shall have direct access to the Audit Committee.

Section 6.10. Mission and Corporate Ethics Committee. The Mission and Corporate Ethics Committee shall be composed of representatives of the Board of Trustees, members of the Medical Staff, members of the Administration, employees from various departments in the Medical Center, representatives of the Medical Center's pastoral team, representatives of the Sisters of Mercy, and an ethical consultant. The President of the Corporation and the Assistant to the President for Mission shall serve as voting, ex officio members of the Committee.

The purposes of the Committee are as follows:

(a) To assist personnel, Medical Staff and the Board of Trustees to bring focus to the expression and implementation of the mission, philosophy and core values of Mercy Health Services;

(b) To raise the level of awareness of mission, corporate values and ethics (Education);

(c) To assist in the analysis of particular corporate ethical issues (Resource);

(d) To make recommendations and proposals regarding institutional policies, statements, etc. related to mission, corporate values and ethics (Recommendations/ Proposals).

Section 6.11. Planning Committee. The purpose of the Planning Committee shall be to develop short and long-range plans for the Corporation as directed by the Board of Trustees and in accordance with statutory and regulatory requirements.

Section 6.12. Compensation Committee. The Compensation Committee shall have the following responsibilities:

(a) To review policy and major program changes in the Corporation's and Subsidiaries compensation systems and to recommend Board action, when appropriate, with regard to policy or major program modifications.

(b) To review the President's report on the performance of the executive management in furthering the Corporation's mission, strategic plan and Corporate Priorities.

(c) To conduct the performance evaluation of the President/Chief Executive Officer based on the Corporation's mission, strategic plan and Corporate Priorities and establish his or her compensation.

Section 6.13. Committee for Medical Staff Credentialing

(a) Role of the Committee. The Committee for Medical Staff Credentialing shall have five (5) members: the Chairperson of the Medical Affairs/Quality Committee; the President of the Medical Staff; the President of the Corporation; and two additional Trustees appointed by the Chairperson of the Board of Trustees. The Chairperson of the Medical Affairs/Quality Committee shall serve as Chairperson of the Committee, unless the President of the Corporation designates another member of the Committee to serve as Chairperson. The Committee shall meet on the day following each regularly scheduled Medical Executive Committee Meeting, or as called by the Chairperson of the Committee. The Committee shall have the authority to act, on behalf of the Board, on all matters concerning initial and renewal applications for medical staff appointments and privileges at the Medical Center.

(b) Quorum and Reports. A majority of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The Committee shall make informational reports regarding its actions to the Board.

(c) Subcommittee for Medical Staff Credentialing. A Subcommittee for Medical Staff Credentialing shall be composed of three (3) members, including the Chairman of the Medical Affairs/Quality Committee, the President of the Medical Center's Medical Staff and the President of the Corporation, provided, however, that if such membership does not include at least two (2) physicians, the Chairperson of the Board will replace one of the Subcommittee members with a physician selected by the Chairperson. The Subcommittee shall meet at least two times in each calendar quarter, or an ad hoc basis as necessary. The Subcommittee shall have the authority to approve Medical Staff appointments and privileges at the Medical Center upon recommendation by the Medical Executive Committee of the Medical Staff, provided that the applicant meets the following criteria:

(i) The applicant's medical license and registration is not, and has never been, subject to challenge by the applicable licensing authorities;

(ii) The applicant has never been subject to involuntary termination of his or her medical staff membership or clinical privileges at any organization; and

(iii) The applicant has never been subject to involuntary limitation, reduction, denial or loss of medical staff membership or clinical privileges at any organization.

ARTICLE VII

Chief Executive Officer

The President is the Corporation's chief executive officer and the official representative of the Board of Trustees in all matters. As such, the President administers, directs and coordinates all

activities of the Corporation to fulfill the objectives of caring for the sick and injured and to implement the Corporation's programs in research, education and service to the community. The Board shall adopt a criteria-based process for selecting a qualified and competent chief executive officer. The Trustees have the authority to create other operating officers as necessary. Such officers may include, but need not be limited to, a chief operating officer, chief financial officer, chief medical officer, and such other officers as the Board shall deem necessary.

ARTICLE VIII

Medical Staff of the Medical Center and Nursing Care Facility

The Board of Trustees shall be responsible for seeing that the Medical Center and the Nursing Care Facility have organized Medical Staffs in order to afford the best possible medical care for patients and high standards of ethical and professional practice. The organizations, appointment to staff membership, officers, committees, privileges, meetings, procedures, and approved practices of the medical staffs shall be set forth in their respective medical staff bylaws, all of which must be approved and adopted by the Board of Trustees. The Board of Trustees shall require each medical staff, through appropriately formed committees, to review and appraise the quality of professional care rendered in the Medical Center and the Nursing Care Facility and to report said results periodically to the Board of Trustees. The Board of Trustees shall require each medical staff to establish mechanisms designed to assure the achievement and maintenance of high standards of medical practice and patient care.

ARTICLE IX

The Corporation prohibits discrimination against any employee or applicant for employment on the basis of (1) political or religious opinion or affiliation, marital status, race, color, creed, or national origin, or (2) sex or age, except when sex or age constitutes a bona fide occupational qualification, or (3) the physical or mental handicap of a qualified handicapped individual.

ARTICLE X

Indemnification of Officers, Directors, Employees and Agents

The Corporation shall indemnify, to the extent allowed by law, any director, trustee or officer or former director, trustee or officer of the Corporation, or any person who may have served at its request as a director, trustee or officer of another corporation, whether for-profit or not-for-profit, against expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceeding in which he or she is made a party by reason of being or having been a director, trustee or officer; but such indemnification shall not be deemed exclusive and shall not limit any other rights to which such director, trustee or officer may be entitled under any Bylaw, agreement, vote of the Board of Trustees or otherwise.

ARTICLE XI

Seal

The seal of the corporation shall be circular in form with the words, "MERCY HEALTH SERVICES, INC.--INCORPORATED 1999 MARYLAND".

ARTICLE XII

Reserved Powers

The following acts shall only be effective if they are first approved in writing by the Sisters of Mercy:

- (a) Dissolution and/or liquidation of the Corporation, the Medical Center, Stella Maris, Inc., the Foundation or Mercy Ridge, Inc.;
- (b) Sale, merger, affiliation or consolidation of the Corporation, the Medical Center, Stella Maris, Inc., the Foundation or Mercy Ridge, Inc.;
- (c) Adoption or amendment of the vision, core values or mission statements of the Corporation or the Subsidiaries;
- (d) Amendment, addition, or change to the Bylaws or Charter of the Corporation, the Medical Center, Stella Maris, Inc., the Foundation or Mercy Ridge, Inc. that would materially affect any right, power, or privilege of the Sisters of Mercy under such documents;
- (e) Appointment of the President and Chief Executive Officer of the Corporation; and
- (f) Disposition of all or substantially all of the assets of the Corporation, the Medical Center, Stella Maris, Inc., the Foundation or Mercy Ridge, Inc.

In addition, the Sisters of Mercy shall have the power to hold the Board of Trustees accountable for ensuring that the Corporation's and Subsidiaries' actions are consistent with and advance the Corporation's Mission Statement as further described in the Sponsorship Agreement.

ARTICLE XIII

If, pursuant to its reserved powers, the Sisters of Mercy approves a transfer of the control of the Corporation to a third party, then the Sisters of Mercy may, in their discretion, elect to terminate the Sponsorship Agreement. In such case, the Sisters of Mercy shall automatically become the sole member of the Foundation and the Board of Trustees of the Corporation and the Foundation's Board of Directors shall cause the Foundation's corporate documents to be amended to designate the Sisters of Mercy as the Foundation's sole member.

ARTICLE XIV

Dissolution and Liquidation

The Corporation shall not be liquidated and dissolved except by a two-thirds (2/3) vote of all of the Trustees then serving on the Board, subject to the written approval of the Sisters of Mercy in accordance with Article XII of these Bylaws. The Trustees' vote shall be taken only after at least thirty (30) days reasonable notice shall have been given to all Trustees that the liquidation and/or dissolution of the Corporation will be put before the Board.

ARTICLE XV

Amendments

Subject to the approval of the Sisters of Mercy as provided herein, these Bylaws and the Articles of Incorporation may be altered, amended or added to by a majority vote of all of the Trustees at any regular or other meeting, provided that written notice of the proposed amendments or additions is sent to all of the Trustees prior to the meeting.

Original Effective Date:	June 30, 1999
Amended:	September 17, 2001
Amended:	April 21, 2004
Amended:	November 17, 2010