

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
CORPORATION BUREAU  
206 NORTH OFFICE BUILDING  
P.O. BOX 8722  
HARRISBURG, PA 17105-8722  
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Butler Health System Foundation

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ENTITY NUMBER: 3773656

FOX ROTHSCHILD O'BRIEN & FRANKEL LLP  
Eagleview Corporate Center, 760 Constitution Dr Ste 104,  
Exton, PA 19341

ARTICLES OF INCORPORATION  
OF  
BUTLER HEALTH SYSTEM FOUNDATION

ARTICLE 1. The name of the Corporation is Butler Health System Foundation (the "Corporation").

ARTICLE 2. The location and post office address of the initial registered office of the Corporation in the Commonwealth of Pennsylvania is 911 East Brady Street, Butler, Butler County, Pennsylvania 16001-4646.

ARTICLE 3. The Corporation is incorporated under the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania for the purpose of conducting exclusively charitable, educational, literary or scientific activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor United States Internal Revenue law) (the "Code"). Specifically, the Corporation is organized to:

- (1) encourage and motivate the making of gifts and donations by deed, will, or otherwise, for the advancement, promotion, extension, and maintenance of the various causes and objectives fostered by Butler Health System, Inc. and its related and affiliated nonprofit entities (collectively "Butler") and undertake other activities in support of the general purposes of Butler;
- (2) conduct fundraising activities on behalf of Butler;
- (3) invest the funds it raises and serve as an endowment fund for Butler;
- (4) hold title to and manage certain property that is donated to, or for the benefit, of Butler; and
- (5) benefit, perform the functions of, or carry out the purposes of Butler.

The Corporation is organized, and at all times thereafter will be operated, exclusively for the benefit of Butler, organizations described in Code Section 501(c)(3).

ARTICLE 4. All activities of the Corporation shall be subject to the following restrictions:

A. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or attempting to influence legislation.

B. The Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.



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C. The Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status (1) as a corporation that is exempt from federal income taxation as an organization described in Code Section 501(c)(3), or (2) as a corporation, contributions to which are deductible under Code Section 170(c)(2).

D. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise, to its directors, officers or other private persons, and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, any such person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and make payments and distributions in furtherance of the purposes set forth in Article 3 hercof.

E. It is intended that this Corporation shall have and continue to have the status of an organization which is exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3). All terms and provisions of these Articles of Incorporation and the Bylaws of the Corporation, and all operations of the Corporation, shall be construed, applied and carried out in accordance with this intent. If the Corporation is subject, or ever becomes subject, to the private foundation rules of the Code, the Corporation shall: (1) distribute its income for each tax year at such time and in such manner so that it will not become subject to the tax on undistributed income imposed by Code Section 4942; (2) not engage in any act of self-dealing as defined in Code Section 4941(d); (3) not retain any excess business holdings as defined in Code Section 4943(c); (4) not make any investments in a manner that would subject it to tax under Code Section 4944; and (5) not make any taxable expenditures as defined in Code Section 4945(d).

ARTICLE 5. The term for which the Corporation is to exist is perpetual.

ARTICLE 6. The Corporation is organized upon a nonstock basis.

ARTICLE 7. The Corporation shall have one member. The sole member of the Corporation shall be Butler Health System, Inc.

ARTICLE 8. In the event the Corporation is dissolved, its net assets shall be distributed to Butler Healthcare Providers d/b/a Butler Memorial Hospital (the "Hospital"); provided that the Hospital qualifies at such time as a Code Section 501(c)(3) organization. If the Hospital does not exist at such time or does not qualify at such time as a Code Section 501(c)(3) organization, then the Corporation's net assets shall be distributed to such entities sharing a common parent with the Corporation, to the parent of the Corporation, or to units of the Corporation which may continue in existence with a purpose consistent with that of the Corporation, as determined by the Board, or, if none, to such entities as may be selected by the Board which provide health care services to the people of Butler County, Pennsylvania or to the United States, a state or local government, provided that such distributees all enjoy tax-exempt status under the provisions of Code Section 501(c)(3) at the time of distribution. If for any reason such distribution cannot be carried out, such net assets shall be distributed to

such other organization or organizations organized exclusively for charitable purposes enjoying tax-exempt status under the provisions of Code Section 501(c)(3) at the time of distribution, as may be selected by the Board with the approval of the Member (if the Member is then in existence), or if such action is not taken by the Board, as may be selected by the United States District Court for the District of Pennsylvania. No portion of the assets shall inure to the benefit of any director or officer of the Corporation, any other private person, or any enterprise organized for profit.

ARTICLE 9. The name and post office address of the incorporator of the Corporation is: Richard S. Caputo, 747 Constitution Drive, Suite 100, Exton, Pennsylvania 19341.

IN WITNESS WHEREOF, the Incorporator has signed these Articles of Incorporation this 6<sup>th</sup> day of December, 2007.

Butler Health System Foundation

By: Richard S. Caputo  
Richard S. Caputo, Incorporator