

FILED
In the Office of the
Secretary of State of Texas

NOV 17 2010

**CERTIFICATE OF FORMATION
OF
HEART OF TEXAS HEALTHCARE SYSTEM**

Corporations Section

I, the undersigned, being a natural person competent to contract, for the purpose of forming a non-profit corporation pursuant to provisions of the TEXAS BUSINESS ORGANIZATIONS CODE ("CODE"), do hereby adopt the following Certificate of Formation:

**Article I
Name and Type**

The name of the corporation is Heart of Texas Healthcare System ("Corporation"). The period of its duration is perpetual. The Corporation is a non-profit corporation.

**Article II
Registered Office and Agent**

The street address of the Corporation's initial registered office is 2008 Nine Road, Brady, Texas 76825 and the name of the initial registered agent at that office is Tim Jones. The principal office of the Corporation will be located at 2008 Nine Road, Brady, Texas 76825.

**Article III
Management**

The management of the affairs of the corporation is vested in the Board of Directors. The number of directors constituting the initial Board of Directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are as follows:

| | |
|------------------------|--------------------------------------|
| Michael Schaffner, CPA | 217 South Blackburn, Brady, TX 76825 |
| Kirk Roddie | P.O. Box 187, Brady, TX 76825 |
| Tim Jones | 2008 Nine Road, Brady, Texas 76825 |

**Article IV
Membership**

The Corporation shall have no members.

**Article V
Purposes**

The purpose or purposes for which the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

The corporation is organized exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section

501(c)(3) of the Internal Revenue Code of 1986 (or corresponding section of any future federal tax code) ("IRC") and Texas Tax Code Section 11.18(c)(1). Specifically, the Corporation is operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Heart of Texas Memorial Hospital.

Article VI Restrictions

- (a) No part of the net income or earnings, if any, of the Corporation shall inure to the benefit of or be distributed or distributable to any Director, officer, member, trustee, individual, firm, corporation, partnership, association or other private person.
- (b) No substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall the Corporation participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office. The Corporation shall not have objectives that characterize it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings and procedures. Notwithstanding any other provision in these Articles, the Corporation shall not engage in any activities or exercise any powers that are not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal Tax Codes, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future Tax Code.
- (c) The Corporation shall not carry on an unrelated trade or business except as a secondary purpose related to the Corporation's primary, exempt, purposes.

Article VII Distribution upon Dissolution

Upon the dissolution of the Corporation, all of the remaining assets of the Corporation shall be distributed to McCulloch County Hospital District d/b/a Heart of Texas Memorial Hospital ("Hospital") for tax-exempt purposes or, if Hospital is determined not to be tax-exempt, to one or more organizations created and operated for one or more exempt purposes within the meaning of Article IV hereof, other than for religious purposes, all of the foregoing within the meaning of Section 501(c)(3) of the INTERNAL REVENUE CODE of 1986, as amended, or the corresponding section of any future United States internal revenue law. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

Effectiveness of Filing

This document becomes effective when the document is filed by the Secretary of State.

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Organizer

The name and address of the Organizer is Fletcher H. Brown, 1801 South Mopac, Suite 300, Austin, Texas 78746.

Signed by the Organizer this 17th day of November, 2010.



Fletcher H. Brown, Organizer