

**ARTICLES OF INCORPORATION
OF
FOUNDATION FOR A HEALTHY KENTUCKY, INC.**

As amended and filed with the Secretary of State 7-11-2006
As further amended and filed with the Secretary of State 3-11-2009

The undersigned Incorporators, Jane J. Chiles, Sheila A. O'Donnell Schuster, Richard J. Seckel, and Laurel True, execute these Articles of Incorporation for the purpose of forming and does hereby form a non-stock, nonprofit corporation under the laws of the Commonwealth of Kentucky (KRS 273.161 et seq.), with all the rights, privileges and immunities of a corporation organized for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or its successor provisions, in accordance with the following provisions.

ARTICLE I

Name

The name of the corporation is Foundation for a Healthy Kentucky, Inc. (the "Corporation").

ARTICLE II

Purposes and Powers

The purposes for which the Corporation is formed, the business and objectives to be carried on and promoted by it, and the powers granted to it, are as follows:

(a) In furtherance of, consistent with and subject to the general and controlling purposes and limitations set forth in this Article II, the Corporation shall have the following particular purposes:

(i) To make grants, contributions and program-related investments, and sponsor or participate in activities, designed to address the unmet health care needs of Kentuckians by developing and influencing health policy, improving access to care, reducing health risks and disparities, and promoting health equity, all in a manner consistent with the requirements of Section 501(c)(3) of the Code (the purposes set forth in this subparagraph (i) shall hereafter be referred to as the "General Purposes").

(ii) Consistent with the General Purposes, to gather, evaluate and disseminate information regarding the delivery of health care to Kentuckians, with a focus on their unmet health care needs, and to make recommendations and influence policy with respect to such unmet needs.

(iii) Consistent with the General Purposes, to hold forums and educational events, and to publish periodicals, newsletters and articles regarding health care in the Commonwealth of Kentucky.

(iv) To the extent authorized by the Board of Directors and consistent with the General Purposes, to endow one chair at the University of Kentucky and one chair at the University of Louisville, with the focus of one chair on rural health policy and of one chair on urban health policy.

(v) To conduct such other activities and programs as are consistent with the General Purposes.

(b) The Corporation is irrevocably dedicated to and is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Code. The Corporation shall receive contributions and fees, and shall distribute its funds for public, charitable, educational and/or scientific purposes, as set forth in these Articles. In carrying out its corporate purposes, the Corporation shall have all the powers allowed corporations by the Kentucky Nonprofit Corporation Acts, KRS 273.161 *et seq.*; provided, however, that the Corporation shall not have or exercise any power inconsistent with or prohibited by the provisions of Paragraphs (a), (b), (c), (d), (e), (f) and, if applicable, (g) of this Article II.

(c) As limited by Section 501(c)(3) of the Code, it is expressly not the purpose of the Corporation and the Corporation is not empowered to participate or intervene in (including the publication or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office. Also as limited by Section 501(c)(3) of the Code, the Corporation shall not devote more than an insubstantial part of its activities to carrying on propaganda or otherwise attempting to influence legislation.

(d) Any other provision of these Articles to the contrary notwithstanding, the Corporation shall have no capital stock and no power to issue certificates of stock nor to declare dividends; no part of the net earnings of the Corporation shall inure to the benefit of any private

shareholder or individual; and the Corporation shall not carry on any activities denied to: [i] a corporation described in Section 501(c)(3) of the Code, including activities prohibited by Section 501(m) of the Code; or [ii] a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

(e) Any other provision of these Articles to the contrary notwithstanding, the Corporation shall not pay for, reimburse or directly subsidize the direct provision of medical services except in the context of demonstration projects or similar research endeavors.

(f) Except as provided below in this subparagraph (f), any other provision of these Articles to the contrary notwithstanding, the Corporation shall not make any contribution or grant if such contribution or grant would cause the net assets of the Corporation to fall below \$45 million or if such contribution or grant would increase a deficit in the net assets of the Corporation below \$45 million. Should the net assets of the Corporation fall below \$45 million, due to investment fluctuations, operating expenditures, or for any other reason, the Corporation shall cease to make any contributions or grants (except to the extent it has a legally binding obligation to do so or to the extent required by law, including, if applicable, by Section 509 of the Code or by Section 4942 of the Code), until such time as it is in compliance with the first sentence of this subparagraph (f). The foregoing grant restriction shall not apply to grant payments made prior to January 1, 2012 pursuant to a grant initiative, including a multi-year grant initiative, of the Corporation that was approved for funding by the Corporation's Board of Directors on or before February 9, 2009 ("Covered Grants") to the extent that the total grant payments made for all such Covered Grants in any calendar year do not exceed \$1.7 million.

(g) Any other provision of these Articles to the contrary notwithstanding, this Corporation shall, if the following provisions of law are applicable to it: [i] not engage in any act of self dealing as defined in Section 4941 of the Code; [ii] distribute its income for each fiscal year at such time and in such manner as not to be subject to the tax under Section 4942 of the Code; [iii] not retain any excess business holdings as defined in Section 4943 of the Code; [iv] not make any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and [v] not make any taxable expenditures as defined in Section 4945 of the Code.

ARTICLE III

Initial Registered Office and Agent

The street address of the Corporation's initial registered office and the name of its initial registered agent at that address is:

WT&C Corporate Services, Inc.
500 West Jefferson Street, Suite 2800
Louisville, Kentucky 40202

ARTICLE IV

Mailing Address

The mailing address of the Corporation's principal office is:

9300 Shelbyville Road, Suite 1305
Louisville, Kentucky 40222

ARTICLE V

Duration

The Corporation shall have perpetual existence.

ARTICLE VI

Directors

The affairs of the Corporation shall be managed by a Board of Directors consisting of not fewer than thirteen (13) members, the exact number to be set in the manner provided in the Bylaws. The initial Board of Directors shall consist of thirteen (13) persons who shall serve for such terms as provided below and in the Bylaws. The names, addresses and terms of the initial Directors are:

Bobby H. Dampier
435 N. Kentucky Ave.
Madisonville, KY 42431
Term expiration: 2002

Anne B. Onyekwuluje, Ph. D.
Western Kentucky University
1 Big Red Way
Bowling Green, KY 42101
Term expiration: 2002

Sister Margaret Hohman, SCN
P.O. Box 3000
Nazareth, KY 40048
Term expiration: 2003

Henry C. "Hank" Wagner
217 E. Chestnut Street
Louisville, KY 40202
Term expiration: 2004

Howard Bost, Ph. D.,
1264 Colonial Drive
Lexington, KY 40504
Term expiration: 2002

Laurel True
7643 Frankfort Rd
Shelbyville, KY 40065
Term expiration: 2004

William Engle, III
470 Main Street, Ste One
Hazard, KY 41702-1179
Term expiration: 2003

Carlos Marin
222 Medical Circle
Morehead, KY 40351
Term expiration: 2003

Sue Speed
942 Edward Ave
Louisville, KY 40204
Term expiration: 2002

Robert R. Goodin, M.D.
6420 Dutchman's Parkway, Ste 200
Louisville, KY 40205
Term expiration: 2004

Sheila A. O'Donnell Schuster, Ph. D.
120 Sears Ave., Ste. 212
Louisville, KY 40207
Term expiration: 2004

Juanita Betz Peterson
859 Glendover Rd
Lexington, KY 40502
Term expiration: 2003

Peter P. Bosomworth, M.D.
2956 Four Pines, #3
Lexington, KY 40502
Term Expiration: 2004

Each Director shall continue as Director as provided below and in the Bylaws; provided, subject only to the notice provisions contained in the Bylaws, any Director may be removed, with or without cause, at any time, upon the vote of eighty percent (80%) or more of the members of the Board of Directors in office. In addition, if a Director is absent from three (3) consecutive meetings of the Board of Directors, he or she may, for a period of one (1) year after the date of the third absence, be removed by majority vote of the members of the Board of Directors in office. In addition, Gubernatorial and Anthem, Inc. Appointed Directors (as defined in the Bylaws) may be removed, with or without cause, at any time, by the office or organization that appointed such Director. In addition, any Community Advisory Committee Appointment Sub-Committee Appointed Director or Elected Director (as defined in the Bylaws) who ceases to be a resident of Kentucky shall immediately cease to be a Director. In addition, any Representative Director (as defined in the Bylaws) who ceases to be a resident of the Supreme Court District (as defined in the Bylaws) that he or she represents shall immediately cease to be a Director. Upon any such removal, the resulting vacancy shall be filled as provided in the Bylaws.

ARTICLE VII

Members

The Corporation shall have such members (as described in KRS 273.187), with such voting rights, as are provided for in the Bylaws.

ARTICLE VIII

Contracts or Transaction of Business with Directors

No pecuniary profit shall be received by any Director from the operations of the Corporation by reason of his or her status as a Director. Any contract or transaction of business between the Corporation and one or more of its Directors, or with any corporation or association in which any of its Directors is a stockholder, director, officer or employee, shall not be invalidated or affected solely by the fact that such Director or Directors have or may have interests therein which are or might be adverse to the interests of the Corporation; provided, however, a Director having an interest adverse to that of the Corporation shall disclose such interest to the Board of Directors and

shall otherwise comply with any conflict of interest and code of ethics policies contained in the Bylaws or otherwise adopted by the Board of Directors. The Corporation shall be prohibited from making loans to any of its Directors or officers.

ARTICLE IX

Indemnification

Each person who is or was a Director, officer, employee, committee member, Community Advisory Committee member, or volunteer of the Corporation, whether elected or appointed, including the heirs, executors, administrators or estate of any such person, shall be indemnified by the Corporation to the full amount against any liability, and the reasonable cost, or expense (including attorneys' fees, monetary or other judgments, fines, excise taxes or penalties and amounts paid or to be paid in settlement) incurred by such person in such person's capacity as a Director, officer, employee or committee member; provided, however, that no such person shall be indemnified against any such liability, cost or expense incurred in connection with any action, suit or proceeding in which such person shall have been adjudged liable on the basis that such person's personal financial interest is in conflict with the financial interests of the Corporation, personal benefit was improperly received by such person, or such person engaged in acts or omissions not in good faith or which involved intentional misconduct or were known to the Director to be a violation of law, or if such indemnification would be prohibited by law. Such right of indemnification shall be a contract right and shall include the right to be paid by the Corporation the reasonable expenses incurred in defending any threatened or pending action, suit or proceeding in advance of its final disposition; provided, however, that such advance payment of expenses shall be made only after delivery to the Corporation of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification. Any repeal or modification of this Article shall not affect any rights or obligations then existing. If any indemnification payment required by this Article is not paid by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the Director, officer, employee, committee member, Community Advisory Committee member or volunteer may at any time thereafter bring suit against the Corporation to recover the unpaid amount and, if successful in whole

or in part, such person shall be entitled to be paid also the expense of prosecuting such claim. The Corporation shall maintain insurance, at its own expense, to protect itself and any such person against such liability, cost or expense on such terms, and with such exclusions and deductibles, as determined by the Board of Directors. The indemnification provided by this Article shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any Bylaw, agreement, statute, vote of the Board of Directors or otherwise. If this Article or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation nevertheless shall indemnify each such person, to the full extent permitted by any applicable portion of this Article that shall not have been invalidated or that remains enforceable under applicable law.

ARTICLE X

Dissolution

Dissolution shall be accomplished in accordance with Chapter 273 of the Kentucky Revised Statutes or its successor. Upon dissolution of the Corporation, the Board of Directors shall, after paying or making adequate provision for the payment of all liabilities of the Corporation, dispose of all corporate assets by distributing such assets to one or more organizations then described in Section 501(c)(3) of the Code, or its successor provision, to be used in a manner that is consistent with the General Purposes set out above. Because all of the assets of the Corporation are deemed to be charitable, any such assets not disposed of by the Board of Directors shall be disposed of by the Circuit Court of the County in which the principal office of the Corporation is then located, in the manner described above in this Article X.

ARTICLE XI

Limitation of Director Liability

No Director shall be personally liable to the Corporation for monetary damages for breach of his or her duties as a Director except for liability:

(a) For any transaction in which the Director's personal financial interest is in conflict with the financial interests of the Corporation;

(b) For acts or omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law; or

(c) For any transaction from which the Director derives an improper personal benefit.

If the Kentucky Revised Statutes are amended after approval of this Article to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be deemed to be eliminated or limited by this provision to the fullest extent then permitted by the Kentucky Revised Statutes, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or modification.

ARTICLE XII

Amendment of Articles

These Articles may be amended by vote of not less than two-thirds of the Board of Directors then in office provided that notice of the proposed amendment is contained in the notice of the meeting of the Board of Directors. Amendment of the Articles of Incorporation shall be subject to approval of the Community Advisory Committee only as provided in the Bylaws.

ARTICLE XIII

Incorporators

The names and addresses of the Incorporators are:

Jane J. Chiles
724 Edgewater Drive
Lexington, Kentucky 40502

Sheila A. O'Donnell Schuster
2017 Alta Avenue
Louisville, Kentucky 40205

Richard J. Seckel
214 Chenault Road
Lexington, Kentucky 40502

Laurel True
7643 Frankfort Road
Shelbyville, Kentucky 40065

Executed by the undersigned Incorporators, effective this _____ day of May, 2001.

Jane J. Chiles

Sheila A. O'Donnell Schuster

Richard J. Seckel

Laurel True

This Instrument Prepared By:

Theodore T. Myre, Jr.
Wyatt, Tarrant & Combs, LLP
2800 PNC Plaza
Louisville, Kentucky 40202
(502) 589-5235

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