Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning DEC 2, 2009, and ending OCT 31, 2010

G Check all that apply: [ ] Initial return [X] Initial return of a former public charity [ ] Final return [ ] Amended return [ ] Address change [X] Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
POTOMAC HEALTH FOUNDATION
FKA POTOMAC HOSPITAL FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): 2296 OPITZ BLVD — Room/suite: 200

City or town, state, and ZIP code: WOODBRIDGE, VA 22191

A Employer identification number: 52-1340920

B Telephone number: 703-730-4445

C If exemption application is pending, check here [ ]

D 1. Foreign organizations, check here [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation [ ]

E If private foundation status was terminated under section 507(b)(1)(A), check here [ ]

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 96,270,126.

J Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

	Line	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc, received	2,500.		N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	33,608.	33,608.		STATEMENT 1
	4 Dividends and interest from securities	1,093,521.	1,093,521.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-403,196.			
	b Gross sales price for all assets on line 6a 19,436,335.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 Total. Add lines 1 through 11	726,433.	1,127,129.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	12,357.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	2,454.	0.		0.
	16a Legal fees STMT 3	19,655.	0.		19,655.
	b Accounting fees STMT 4	11,135.	0.		0.
	c Other professional fees STMT 5	206,451.	143,992.		60,847.
	17 Interest				
	18 Taxes STMT 6	84,424.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy	230.	0.		0.
	21 Travel, conferences, and meetings	4,810.	0.		159.
	22 Printing and publications				
	23 Other expenses STMT 7	-564.	0.		19,052.
	24 Total operating and administrative expenses. Add lines 13 through 23	340,952.	143,992.		99,713.
	25 Contributions, gifts, grants paid				
	26 Total expenses and disbursements. Add lines 24 and 25	340,952.	143,992.		99,713.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	385,481.			
	b Net investment income (if negative, enter -0-)		983,137.		
	c Adjusted net income (if negative, enter -0-)			N/A	

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923501 02-02-10 LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

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12481019 700842 POTOM00120 2009.05070 POTOMAC HEALTH FOUNDATION F POTOM001

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing		372,435.	372,435.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ 120,095.			
	Less allowance for doubtful accounts ▶		120,095.	120,095.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges		19,616.	19,616.
	10a Investments - U S and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	0.	90,249,169.	90,249,169.
	14 Land, buildings, and equipment. basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ ESCROWED PROCEEDS)	0.	5,508,811.	5,508,811.
	16 **Total assets** (to be completed by all filers)	0.	96,270,126.	96,270,126.
Liabilities	17 Accounts payable and accrued expenses		132,101.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 11)	0.	189,341.	
	23 **Total liabilities** (add lines 17 through 22)	0.	321,442.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ [X] **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	0.	95,948,684.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] **and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	0.	95,948,684.	
	31 **Total liabilities and net assets/fund balances**	0.	96,270,126.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	0.
2	Enter amount from Part I, line 27a	2	385,481.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 9	3	95,563,203.
4	Add lines 1, 2, and 3	4	95,948,684.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	95,948,684.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a				
b	SEE ATTACHED STATEMENT			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	19,436,335.		19,839,531.	-403,196.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				-403,196.

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	-403,196.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008			
2007			
2006			
2005			
2004			

2	Total of line 1, column (d)	2	
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	
8	Enter qualifying distributions from Part XII, line 4	8	

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter ________ (attach copy of letter if necessary-see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	19,663.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0.
3	Add lines 1 and 2			3	19,663.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	19,663.
6	Credits/Payments				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	19,582.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	19,582.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	500.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	581.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶	Refunded ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3	X	
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ VA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ WWW.POTOMACHEALTHFOUNDATION.ORG

14 The books are in care of ▶ STEPHEN BATSCHE Telephone no ▶703-730-4445
Located at ▶2296 OPITZ BLVD, STE 200, WOODBRIDGE, VA ZIP+4 ▶22191

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Line	Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X |

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b |

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		12,357.	2,454.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
SEI INVESTMENTS DEVELOPMENTS INC	INVESTMENTS MANAGEMENT	143,992.
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A - THE FOUNDATION DOES NOT ACTIVELY CONDUCT CHARITABLE ACTIVITIES ITSELF, BUT RATHER FUNDS OTHER ORGANIZATIONS THAT DO.	0.
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	0.
2	
All other program-related investments See instructions	
3 NONE	0.
Total. Add lines 1 through 3 ▶	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a	Average monthly fair market value of securities	1a	54,212,442.
b	Average of monthly cash balances	1b	31,869,165.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	86,081,607.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	86,081,607.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,291,224.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	84,790,383.
6	**Minimum investment return.** Enter 5% of line 5 ADJUSTED FOR SHORT TAX PERIOD	6	3,879,414.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6	1	3,879,414.
2a	Tax on investment income for 2009 from Part VI, line 5 2a 19,663.		
b	Income tax for 2009 (This does not include the tax from Part VI) 2b		
c	Add lines 2a and 2b	2c	19,663.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	3,859,751.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	3,859,751.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	3,859,751.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	99,713.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	99,713.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	99,713.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				3,859,751.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 99,713.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				99,713.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				3,760,038.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

SEE STATEMENT 13

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
NONE				
Total			▶ 3a	0.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	33,608.	
4 Dividends and interest from securities			14	1,093,521.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-403,196.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		723,933.	0.

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 723,933.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Line	Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Stephen Batzke | 10/24/11 | INTERIM EXECUTIVE DIRECTO

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature	Jeff Smith	Date 10/19/11	Check if self-employed ☐	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code	BROWN, EDWARDS & COMPANY, LLP 124 NEWMAN AVENUE HARRISONBURG, VA 22801	EIN	Phone no. (540) 434-6736

Grant Application Guidelines

REQUEST FOR APPLICATIONS

Potomac Health Foundation Board of Directors is pleased to announce the first round of community health funding. The Foundation will accept competitive grant applications and award approximately $4 million in funding for the 2011 grant year.

The Request for Applications process occurs in two steps. First, applicants submit a Letter of Intent and Preliminary Budget. Refer to the Letter of Intent Guidelines for specific instructions. The maximum amount per request should be no more than $1 million and no less than $25,000.

Applications will be accepted from government and charitable organizations that serve the people of eastern Prince William County Virginia, and the immediately adjacent communities in eastern Fairfax and Stafford counties. This includes the following areas: Aquia, Dale City, Dumfries, Garrisonville, Lake Ridge, Lorton, Montclair, Manassas, Quantico, Southbridge, Triangle and Woodbridge, Virginia.

Applicants whose LOI's best fit the Foundation's program focus areas of access, prevention and innovation will be invited to submit a full proposal. Health related grant awards within our program focus areas and service area will be funded for one year.

Excluded Purposes

The Foundation excludes the following from funding consideration:

- Grants to programs not directly related to health.
- Sponsorships, including fundraising events.
- Endowments.
- Lobbying.
- Direct support to individuals.
- Grants for projects or programs of religious, fraternal, athletic or veterans groups when the primary beneficiaries of such undertakings would be their members exclusively.
- Grants to retire any form of debt.

Grants Timetable

Request for Applications Timetable
May 9 – Letter of Intent due by noon
May 27 – Applicants notified of decision
June 8 – Grant Proposal Workshop
July 27 – Proposals due by noon
Sept. 9 – Applicants notified of decision
Sept. 14 – Orientation and signing of agreements
Oct. 1 – First checks mailed

HOW TO APPLY

All applicants are required to submit a Letter of Intent highlighting the purpose and objectives of the program. Programs that meet the Potomac Health Foundation program focus area and service area requirements should submit an LOI using the following guidelines.

Submit the LOI online at www.ctkodm.com/potomachealthfoundation.

Agency Profile:

- Organization name, address and website.
- Organizations' founding date, federal tax ID number, year tax-exempt status was awarded, and mission statement.
- Executive Director and project contact person's name, phone number, fax number and email.

Letter of Intent narrative should include:
(no more than 1,000 words)
It is recommended to write the document using a word processor prior to online submission.

1. Program title, start date, and duration.
2. Total program cost, amount requested from the Foundation, and current agency operating budget.
3. Description of the target population to be served, the approximate number of people to be served, and the geographic area to be served.
4. Problem statement or need assessment for the program.
5. Describe the programs outcomes (annual objectives).
6. Description of the activities that will occur in order to reach the objectives.
7. How the requested funds will be spent.
8. Local leadership and community support for the program. Include any projected support that may not be secured, but will be by the time of implementation.
9. Which of the Foundation strategic priority areas will the program specifically address and how.

Project Budget and Signatory Page:
The information for this section will need to be entered online. When the form is completed, print, obtain signatures, and then uploaded with the signatures in to the online application system.

Applicants are encouraged to form partnerships with other organizations or agencies, engaging others in the planning and implementation of their proposed program(s). In this way, existing resources are better utilized, information sharing is encouraged and duplication of services is minimized.

Letters of Intent will be reviewed and applicants will be notified of the Foundations decision in writing.

The grants made by you to the Supported Charity will not be designated or used for lobbying, influencing the outcome of elections, for grants to individuals, or for non-charitable purposes. Furthermore, the Supported Charity is classified as a public charity pursuant to sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Therefore, pursuant to section 4945(d)(4)(A)(i), all of the grants made by you to the Supported Charity fall outside the definition of "taxable expenditures."

7. Grants by You — No Termination of Your Private Foundation Status

Pursuant to the terms of the Agreement, you are scheduled to make a series of payments to the Supported Charity that, in aggregate, exceed 25% of your total assets. The Supported Charity is a public charity described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Section 1.507-1(b)(7) of the foundation regulations indicates that unless an organization notifies the Secretary of its intent to the contrary, such a series of payments to a public charity, in and of itself, will not serve to terminate the private foundation status of the grantor organization. You have indicated that you do not wish to terminate your private foundation status in tandem with your grants to the Supported Charity and you have not indicated any contrary intent to the Secretary. As such, the grant payments by you to the Supported Charity will not terminate your private foundation status under section 509(a). Because your private foundation status will not terminate, you should not be liable for any termination tax under section 507(c).

8. In the Conversion Year: Portion When Private Foundation Requirements Apply

Under section 4940 of the Code, a private foundation must pay a 2 percent excise tax on its net investment income. Under section 4942 of the Code, a private foundation must make qualifying distributions equal to its distributable amount. The distributable amount is computed as a function of the private foundation's investment assets. If a private foundation completes a tax year of less than 12 months, section 53.4942(a)-2(c)(5)(iii) of the foundation regulations provides a means by which the private foundation's distributable amount is adjusted proportionately to reflect the amount of time during the tax year that it existed as a private foundation.

In the year following the conversion year, you will be required to pay a section 4940 excise tax on your net investment income earned during the conversion year. Such tax liability will be imposed exclusively on the net investment income earned (i.e., received or accrued, depending on your method of accounting) by you after the effective date. Any net investment income earned during the time that you remained classified as a public charity under section 509(a)(3) of the Code will not be subject to the section 4940 tax.

9. Two Returns for the Conversion Year

During the conversion year, you will be classified as a section 509(a)(3) supporting organization (and therefore, a public charity) for part of the year, and a private foundation for the other part of the year. Pursuant to the requirements set forth in section 6033 of the Code and the Treasury Regulations thereunder, public charities are required to annually file a Form 990; private foundations, by contrast, are required to annually file Form 990-PF. For the conversion year, you should file (a) a Form 990 reflecting your activity for the portion of the conversion year during which you were treated as a public charity, and (b) a Form 990-PF reflecting your activity for the portion of the conversion year during which you were treated as a private foundation.

RULINGS:

Based on the information submitted, we rule as follows:

1. The conversion and the transactions described herein do not negatively affect your section 501(c)(3) status.

2. The conversion and the transactions described herein will not give rise to excise taxes under Section 4958 of the Code to you or any of your directors, officers, or employees who were involved in the planning or the execution of your conversion to private foundation status.

3. We decline to rule on your foundation reclassification.

4. Grants made by you to the Supported Charity after the effective date will not be deemed self-dealing under Section 4941of the Code.

5. Grants made by you to the Supported Charity after the effective date will be treated as qualifying distributions under Section 4942(g) of the Code at such times as the grants are actually paid to the Supported Charity.

6. Grants made by you to the Supported Charity after the effective date will not constitute taxable expenditures under Section 4945(d) of the Code.

7. Following the effective date, the agreed-upon grants from you to the Supported Charity will not result in a termination of private foundation status under Section 507(a) of the Code. Similarly, making such grants will not subject you to any termination tax liability under Section 507(c) of the Code.

8. For the calendar year of the conversion (the "conversion year"), your liability for the section 4940 excise tax will apply only to net investment income earned during the part of the conversion year during which you are classified as a private foundation, and the distributable amount under section 4942 will be computed on the basis of only that part of the conversion year during which you are classified as a private foundation.

9. For the conversion year, you will be required to file two separate information returns pursuant to Section 6033. You will be required to file Form 990 for the period beginning on the first day of the conversion year and ending on the day before the effective date, during which time you will have been classified as a supporting organization and a public charity; and you will be required to file Form 990-PF for the portion of the conversion year beginning on the effective date and ending on the last day of the conversion year, during which time you will have been classified as a private foundation.

This ruling will be made available for public inspection under section 6110 of the Code after certain deletions of identifying information are made. For details, see enclosed Notice 437, *Notice of Intention to Disclose*. A copy of this ruling with deletions that we intend to make available for public inspection is attached to Notice 437. If you disagree with our proposed deletions, you should follow the instructions in Notice 437.

This ruling is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

This ruling is based on the understanding there will be no material changes in the facts upon which it is based. Any changes that may have a bearing upon your tax status should be reported to the Service. This ruling does not address the applicability of any section of the Code or regulations to the facts submitted other than with respect to the sections described.

Because this letter could help resolve any future questions about tax consequences of your activities, you should keep a copy of this ruling in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter.

In accordance with the Power of Attorney and Declaration of Representative currently on file with the Service, we are sending a copy of this letter to your authorized representative.

Sincerely,

Ronald J. Shoemaker
Manager, Exempt Organizations
Technical Group 2

Enclosure:
Notice 437

Potomac Health Foundation
fka Potomac Hospital Foundation
52-1340920

ARTICLES OF RESTATEMENT
OF
POTOMAC HOSPITAL FOUNDATION

The undersigned, on behalf of Potomac Hospital Foundation, a Virginia nonstock corporation (the "Corporation"), pursuant to Title 13.1, Chapter 10, Article 10 of the Code of Virginia, states as follows:

1. The name of the Corporation immediately prior to restatement is Potomac Hospital Foundation.

2. The restatement contains an amendment that changes the name of the Corporation to Potomac Health Foundation and contains other amendments to the Articles of Incorporation.

3. The text of the Amended and Restated Articles of Incorporation is attached as Exhibit A hereto (the "Restated Articles").

4. The Restated Articles were adopted by the Corporation on September 29, 2009 to be effective on December 1, 2009.

5. The Restated Articles were adopted at a meeting of the board of directors of the Corporation by a vote of at least two-thirds of the directors in office. Member approval of the Restated Articles was not required because the Corporation has no members.

Executed in the name of the corporation by:

Marion M Wall, Chairman
(signature)

11/25/2009
(date)

Marion M. Wall
(printed name)

Chairman
(corporate title)

0245824-8

161003.v6

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 30, 2009

The State Corporation Commission has found the accompanying articles submitted on behalf of

Potomac Hospital Foundation

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it is ORDERED that this

CERTIFICATE OF RESTATEMENT

be issued and admitted to record with the articles of restatement in the Office of the Clerk of the Commission, effective December 1, 2009.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By Judith Williams Jagdmann

Commissioner

09-11-30-0500
AMENACPT
CIS0322

EXHIBIT A

AMENDED AND RESTATED ARTICLES OF INCORPORATION

I. NAME

The name of the Corporation is Potomac Health Foundation.

II. PURPOSES

The Corporation is organized and shall be operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) (the "Code"). Specifically, the Corporation's purposes shall be (1) to participate, encourage and/or support a range of activities designed and carried out to promote the general health and well-being of the community, and (2) to support and encourage the provision of health care delivery, and related services to the community by, among other things, providing financial and other assistance to, or for the benefit of, the acute care inpatient hospital facility owned and operated by Potomac Hospital Corporation of Prince William (or any successor acute care inpatient hospital facility located in Woodbridge, Virginia).

III. MEMBERSHIP

The Corporation shall have no members. The Corporation has no authority to issue capital stock.

IV. DIRECTORS

The Management of the Corporation shall be vested in the Board of Directors. The Directors shall elect their successors in accordance with the process set forth in the Corporation's Bylaws.

V. REGISTERED AGENT

The address of the current registered office of the corporation is Parkway East at County Center, 12701 Marblestone Drive, Suite 350, Woodbridge, Virginia 22192, which is in the County of Prince William. The name of the current registered agent at such address is C. Lacey Compton, Jr. who is a member of the Virginia State Bar.

VI. FOUNDATION OPERATIONS

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes. 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 publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code. In addition, in the event that any time during its existence the Corporation shall be considered a private foundation as described in Code section 509(a), then, for the duration of such status, the Corporation:

(i) Shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed in Code Section 4942;

(ii) Shall not engage in any act of self-dealing as defined in Code Section 4941(d);

(iii) Shall not retain any excess business holdings as defined in Code Section 4943(c);

(iv) Shall not make any investments in a manner as to subject the Corporation to tax under Code Section 4944; and

(v) Shall not make any taxable expenditures as defined in Code Section 4945(d).

VII. DISTRIBUTION OF ASSETS ON DISSOLUTION

Upon the dissolution or liquidation of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, distribute all of the assets of the corporation to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be distributed by an equity court with jurisdiction over the Corporation to such organization or organizations described in Section 501(c)(3) of the Code, as said court shall determine.

VIII. BOARD OF DIRECTORS

The names and addresses of the Directors who are serving at the effective time of the filing of these Amended and Restated Articles of Incorporation are as follows:

Names	Addresses
C. Lacey Compton, Jr.	2300 Opitz Boulevard, Woodbridge, VA 22191
Donnie Hylton	2300 Opitz Boulevard, Woodbridge, VA 22191
Thomas Kreutzer	2300 Opitz Boulevard, Woodbridge, VA 22191
Michael D. Lubeley	2300 Opitz Boulevard, Woodbridge, VA 22191
Wayne Mallard	2300 Opitz Boulevard, Woodbridge, VA 22191
Dorothy M. Richardson	2300 Opitz Boulevard, Woodbridge, VA 22191
Carol S. Shapiro, MD, MBA	2300 Opitz Boulevard, Woodbridge, VA 22191
R. Michael Sorensen	2300 Opitz Boulevard, Woodbridge, VA 22191
Marion M. Wall	2300 Opitz Boulevard, Woodbridge, VA 22191
Howard Greenhouse	2300 Opitz Boulevard, Woodbridge, VA 22191
Kenneth Krakauer	2300 Opitz Boulevard, Woodbridge, VA 22191

The process for electing successor directors, removing directors and filling vacancies shall be as set forth in the Corporation's Bylaws.

IX. DURATION

The duration of the Corporation shall be perpetual.

X. AMENDMENT

These Articles of Incorporation may be amended or restated from time to time pursuant to the procedures set forth in the Corporation's Bylaws.

Dated this 25th day of November, 2009.

POTOMAC HEALTH FOUNDATION

By: Marion M Wall, Chair

Marion M. Wall, Chairman

161003.v6

Commonwealth of Virginia

State Corporation Commission

I Certify the Following from the Records of the Commission:

The foregoing is a true copy of the certificate of restatement of Potomac Hospital Foundation issued December 01, 2009.

Nothing more is hereby certified.

STATE CORPORATION COMMISSION VIRGINIA SIC SEMPER TYRANNIS 1903

Signed and Sealed at Richmond on this Date:
December 1, 2009

Joel H. Peck

Joel H. Peck, Clerk of the Commission

CIS0502

AMENDED AND RESTATED BYLAWS

OF

POTOMAC HEALTH FOUNDATION

ADOPTED: SEPTEMBER 29, 2009

TO BE

EFFECTIVE: DECEMBER 1, 2009

POTOMAC HEALTH FOUNDATION

BYLAWS

ARTICLE I
NAME

1.1. Name. The name of this corporation is Potomac Health Foundation ("Corporation").

ARTICLE II
PRINCIPAL OFFICE; REGISTERED OFFICE AND AGENT

2.1. Principal Office. The principal office of the Corporation shall be located in such office or offices as determined by the Board of Directors.

2.2. Registered Office and Agent. The registered office and agent of the Corporation shall be as set forth in the Articles of Incorporation of the Corporation.

ARTICLE III
MEMBERS

3.1. No Members. The Corporation shall have no members.

ARTICLE IV
BOARD OF DIRECTORS

4.1. Powers. The management of the Corporation shall be vested in the Board of Directors which shall have control and management of the property, affairs and the funds of the Corporation; and shall have the power and authority to do and perform all acts and functions consistent with the Articles of Incorporation and the Bylaws of the Corporation.

4.2. Number. The number of Directors of the Corporation may be established by the Board of Directors, provided that the minimum number of Directors shall be nine (9), and the maximum number of Directors shall be fifteen (15). The Directors identified in the Corporation's Amended and Restated Articles of Incorporation adopted on September 29, 2009 shall serve until their successors are elected and qualified as provided below.

4.3. Term of Office. At the first annual meeting of the Board of Directors following the adoption of these Amended and Restated Bylaws, the Directors identified in the Amended and Restated Articles of Incorporation shall be divided into classes of equal or approximately equal number, with each class serving a term of one (1), two (2) or three (3) years, respectively. Upon the expiration of the terms of each class of Directors, successors shall be elected by the

Directors at the annual meeting of the Directors and shall serve a term of three (3) years. Directors shall serve no more than three (3) consecutive three (3) year terms, without regard to service as a Director named in the Amended and Restated Articles of Incorporation or assigned to a class with an initial term of less than three (3) years. Each elected Director shall hold office until his successor is duly elected and qualified, or until his earlier death, resignation or removal from office.

4.4. Qualifications. Directors shall be representative of the community, provided, however, that one (1) Director shall be nominated by Sentara Healthcare ("Sentara") in consultation with the Board of Directors (the "Sentara Director"). Sentara shall provide the name of its nominee at least thirty (30) days prior to the annual meeting of the Directors. Failure to provide a nominee shall be treated as an unfilled vacancy in the Sentara Director position, shall not preclude the Board of Directors from meeting and acting, and shall not affect the quorum and action requirements of Section 4.9. The Sentara Director shall be a voting member, provided, however, the Sentara Director shall be obligated to recuse himself/herself from matters involving the Corporation's enforcement rights against Sentara Healthcare pursuant to the Affiliation Agreement between the Corporation, Potomac Hospital Corporation of Prince William and Sentara dated September 29, 2009 (the "Affiliation Agreement").

4.5. Vacancies. Any vacancy on the Board of Directors created by death, resignation or removal shall be filled by a majority vote of the Directors then in office, provided, however, that in the event that a vacancy of the Sentara Director position occurs, Sentara shall nominate three (3) candidates to serve as the replacement Sentara Director within sixty (60) days following such vacancy, from which slate the Board of Directors shall appoint one (1) within thirty (30) days of receipt of the list of nominees from Sentara. Persons filling vacancies created by death, resignation or removal shall serve for the unexpired term of the Director replaced.

4.6. Removal. Any Director may be removed from office for cause, after forty-five (45) days' notice of such proposed removal sent to all members of the Board of Directors, upon a two-thirds (2/3) vote of the remaining members of the Board, provided, however, that the removal of the Sentara Director shall require the consent of Sentara Healthcare, not to be unreasonably denied or delayed. Any Director who shall have absented himself from two (2) or more consecutive regular Board meetings, or absents himself from two (2) or more regularly scheduled meetings of the standing committee to which he has been assigned, shall, at the discretion of the Board, be required to show reasonable cause to the Board why he/she should not be removed as a Director, if there shall have been mailed to him, within ten (10) days preceding the meeting at which he is to be removed, written notice of such proposed action. With regard to such absences, the Secretary's attendance record shall be presumed correct in the absence of evidence to the contrary. Voting majorities for the removal of the Director shall be computed without regard to the Director sought to be removed.

4.7. Regular Meetings. The annual meeting of the Board of Directors shall be held on the first Wednesday in the month of December, or at such other time as may be determined by the Board of Directors. Notice of an alternate time for the annual meeting shall be provided to the Directors and to Sentara. Other regular meetings of the Board of Directors shall be held at least quarterly (unless the Board of Directors elects to forgo any scheduled meeting) at times fixed by resolution of the Board of Directors and special meetings shall be held upon the call of the Chairman of the Board or three (3) Directors.

4.8. Notice of Meeting. Notice of any meeting not held at a time fixed by resolution of the Board shall be given to each Director by delivering or mailing to him at his residence or business address at least three (3) days before the meeting. A Director may waive any notice requirement by signing a written waiver of the notice and delivering it to the Secretary of the Corporation for filing with the minutes or the corporate records. Attendance of a Director at any meeting shall constitute a waiver of notice of the meeting unless the Director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Notwithstanding any provision of the Bylaws to the contrary, a notice of the date, time, place or purpose of a regular or special meeting of the Board of Directors may be given by a form of electronic transmission consented to by the Director to whom the notice is given in accordance with Va. Code Section 13.1-866.

4.9. Quorum. At least fifty percent (50%) of the Directors then in office who are present in person shall constitute a quorum. A member of the Board of Directors may participate in a meeting by conference telephone, video conference, or similar communication equipment by means of which all persons can hear and speak to each other. Participating in a meeting by such means constitutes presence in person at a meeting. Less than a quorum may adjourn the meeting to a fixed time and place with written notice as provided for in Article VI, Section 1. The affirmative vote of a majority of Directors present and voting at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the affirmative vote of a greater number is required by the laws of the Commonwealth of Virginia, the Corporation's Articles of Incorporation or these Bylaws.

4.10. Action Without Meeting. Any action required by law to be taken at a meeting of the Directors, or any action that may be taken at a meeting of the Directors, may be taken without a meeting, if consents in writing, setting forth the action so taken, are signed by all of the Directors and the written consents are included in the minutes of the proceedings of the Board of Directors or filed with the corporate records. A written consent and the signing thereof may be accomplished by one or more electronic transmissions.

4.11 Compensation. Directors may not be compensated for their services as Directors of the Corporation, but may be reimbursed for their reasonable out-of-pocket expenses incurred in attending Board meetings or otherwise in connection with the performance of their duties as Directors. Directors may be compensated for their personal and professional services rendered to or on behalf of the Corporation if approved in advance by the Board and subject to compliance with the Corporation's conflicts of interest policy.

ARTICLE V
OFFICERS AND THEIR DUTIES

5.1. Officers. The officers of the Corporation shall be a Chairman of the Board, a Vice Chairman, a Secretary and a Treasurer, and such other officers as the Board may consider appropriate. The Chairman, Vice Chairman, Secretary and Treasurer shall be Directors. The Board of Directors shall elect officers each year at its annual meeting. All officers shall hold office for one (1) year, or until their successors are duly elected and qualified. The Board may also, if it deems advisable, elect other officers and designate their duties. Such additional officers need not be Directors and shall hold their positions respectively at the pleasure of the Board.

5.2. Vacancies. Vacancies among the officers may be filled by the Board at any meeting of the Board, provided that notice of the proposed action to fill any such vacancy is contained in the notice for such meeting.

5.3. Removal. All officers shall be subject to removal at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the Directors then in office.

5.4. Duties of the Chairman. The Chairman shall preside at all Directors' meetings and shall perform all such other duties incident to the office. The Chairman shall also serve as President, where action by the Corporation's President is required.

5.5. Duties of the Vice Chairman. The Vice Chairman shall perform the duties of the Chairman whenever the Chairman is for any reason absent or unable to serve.

5.6. Duties of the Secretary. The Secretary shall have custody of the Articles of Incorporation, Bylaws, corporate seal and such other books and records of the Corporation as the Board of Directors shall direct. The Secretary shall perform all such other duties as may from time to time be imposed upon the Secretary by the Board.

5.7. Duties of the Treasurer. The Treasurer or the Treasurer's designee shall be the financial officer of the Corporation, and under the direction of the Board of Directors the Treasurer shall have the custody and control of all of the funds and securities of the Corporation, and shall deposit them in such bank or depositories as may be designated by the Board and shall perform all such other duties as may from time to time be assigned to the Treasurer by the Board.

ARTICLE VI
EXECUTIVE DIRECTOR

6.1 Duties of the Executive Director. The Board of Directors may select and employ (or contract with) a competent, experienced Executive Director who shall serve as the Chief Executive Officer of the Corporation and serve as the executive representative in the management of the Corporation. The Executive Director shall not be an officer of the Corporation. The Executive Director shall have the necessary authority and responsibility for the administration of the Corporation's activities, subject only to such policies as may be adopted and such directions as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. The Executive Director's duties and responsibilities shall be further delineated in his/her employment agreement with the Corporation.

ARTICLE VII
COMMITTEES

7.1. General. Committees of the Board of Directors shall be standing or special. Standing committees shall be those committees designated as such by the Board of Directors. Standing committees shall have the power to act only as stated in these Bylaws or as conferred by the Board of Directors and not inconsistent with these Bylaws. Each committee shall have an agenda and shall submit a report of its meeting to the Board of Directors at its regular meeting.

7.2. Executive Committee. The Board of Directors shall have the power to appoint three (3) or more Directors to constitute an Executive Committee which shall be constituted according to §13.1-869 of the Code of Virginia, as amended. The powers of the Executive Committee shall include all authority given to the Board of Directors, except as limited by resolution of the Board, and excluding the powers to amend the Articles of Incorporation or Bylaws, to approve a plan of merger or consolidation, to sell, lease, exchange, mortgage, pledge, to dispose of all, or substantially all, the property and assets of the Corporation, to voluntarily dissolve or revoke revocation of dissolution proceedings, to fill vacancies on the Board of Directors or any committee, or to approve any grant by the Corporation in excess of a limit determined by the Board of Directors and communicated to the Executive Committee. Timely notice of actions taken by the Executive Committee shall be provided to all directors.

7.3. Nominating and Governance Committee. The Board of Directors shall appoint at least three (3) of its members to serve as the Nominating and Governance Committee. The Committee shall provide recommendations to the Board for the selection and nomination of Board members, officers and chair of any standing committee of this Corporation The Committee shall provide for the education and training for those serving in governance positions of this Corporation.

7.4. Finance and Audit Committee. The Board of Directors shall appoint at least three (3) Directors to the Finance and Audit Committee. This Committee shall be responsible for proposing to the Board of Directors an investment policy for the Corporation, selecting, overseeing, and reporting on the performance of the Corporation's investment advisors. This Committee shall also recommend the selection of the Corporation's auditing firm, and review and report to the Board on the Corporation's audit and required tax filings.

7.5. Grant Solicitation and Approval Committee. The Board of Directors shall appoint the members of the Grant Solicitation and Approval Committee who shall consist of three (3) or more Directors and an additional number of other individuals. This Committee shall recommend to the Board of Directors procedures for soliciting grant requests from the community, criteria to be adopted by the Board of Directors to judge the merit of such requests, and shall make recommendations to the Board for funding. The Board of Directors shall have the right to divide the Committee into one or more subcommittees with responsibility to review grants to Sentara Potomac Hospital (or successor acute care inpatient hospital facility) and to other categories of grantees.

7.6. Committee Meetings. Unless a different requirements are specified by resolution of the Board, Sections 4.7-4.10 of these Bylaws, which govern meetings, notice and waiver of notice, quorum and voting requirements, and action without meetings of the Board of Directors, apply to committees and their members as well, provided, however, that meetings of said committees shall be held as necessary at the time, dates and places fixed by resolution of the Committee or by call of the Chairman of such Committee.

ARTICLE VIII
DONATIONS, GIFTS, EARNINGS AND REVENUE OR OTHER PAYMENTS

8.1 Use of Funds. Any gifts, devises, bequests, donations, subscriptions or other payment made by a person or persons to the Corporation without specific direction as to the use thereof shall, upon acceptance, be used for the purposes of the Corporation as determined by the Board of Directors; but any such payments and things of value made to the Corporation with specific directions as to the use thereof shall, upon acceptance, be received, held and used by the Corporation in conformity with said directions.

ARTICLE IX
CONTRACTS, CHECKS, AND DEPOSITS

9.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

9.2. Checks, Drafts, and Notes. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by the officer or officers, agent or agents of the Corporation and in the manner determined by resolution of the Board of Directors. In the absence of a determination by the Board of Directors, those instruments shall be signed by the Chairman of the Corporation.

9.3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in those banks, trust companies, or other depositories selected by the Board of Directors.

ARTICLE X
BOOKS AND RECORDS

10.1. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and all committees, and shall keep at the principal office of the Corporation a record of the names and addresses of the Directors.

ARTICLE XI
INDEMNIFICATION

11.1 The Corporation shall indemnify any person made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative (and whether formal or informal) by reason of the fact that he is or was a director of the Corporation, against judgments, settlements, penalties, fines, (including excise taxes assessed with respect to an employee benefit plan), and reasonable counsel fees actually incurred by him in connection with such action, suit or proceeding. The indemnity provided for in the preceding sentence in the case of civil proceedings shall be provided only if such director conducted himself in good faith and believed (i) in the case of conduct in his official capacity with the corporation, that his conduct was in its bests interests; and (ii) in all other cases, that his conduct was at least not opposed to its best interests; and in the case of criminal proceedings that the director had ho reasonable cause to belief that his conduct was unlawful. Unless otherwise ordered by a court of competent jurisdiction, or by resolution adopted pursuant to (and limited by) Section 13.1-883 of the Virginia Nonstock Corporation Act, the Corporation shall not indemnify a director (iii) in connection with any proceeding by or in the right of the corporation (other than for reasonable expenses and only if the director has met the standards set forth above), or (iv) in connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

11.2. Indemnification as provided in Section 11.1 above shall be made only as authorized in the specific case after a determination has been made that indemnification is permissible under the standard set forth in such Section. Such determination shall be made by a majority vote of disinterested directors or as otherwise provided in Section 13.1-880 of the Virginia Nonstock Corporation Act.

11.3. The Corporation shall advance expenses as permitted under Section 13.1-878 of the Virginia Nonstock Corporation Act.

11.4. The Corporation shall indemnify officers to the same extent as directors as provided in this Article 11.

11.5. The Corporation may purchase and maintain, at its sole expense, insurance against all liabilities or losses it may sustain in consequence of the indemnification provided for in this Article XI, in such amounts and on such terms and conditions as the Board of Directors may deem reasonable.

ARTICLE XII
OTHER

12.1. Fiscal Year. The fiscal year of the Corporation shall commence on November 1 and end October 31 of each year, unless as otherwise determined by the Board of Directors.

12.2. Policies. The Corporation shall adopt policies on conflicts of interest for Directors, officers and employees, (including appropriate recusal provisions for the Sentara Director) record retention as well as other subjects designed to improve the operations of the Corporation.

ARTICLE XIII
AMENDMENTS

13. Adoption of Amendments. The Corporation's Articles of Incorporation and these Bylaws may be modified, altered or amended by the affirmative vote of two-thirds (2/3) of the Directors then in office, provided that at least ten (10) days' prior notice of the terms of such proposed modification, alteration or amendment shall have been sent by regular mail to each Director before the meeting at which such action shall be considered. Any amendment to the Articles of Incorporation which deletes or amends that portion of the Corporation's Articles referring to the support of the acute care, inpatient hospital facility described in Article II of the Articles (the "Hospital"), and any amendment to these Bylaws which adversely affects the rights or responsibilities of the Sentara Director, shall be approved by Sentara; provided that no such approval shall be required in either case: (i) subsequent to January 1, 2020; (ii) following the sale of, or conversion of, the Hospital to a for profit entity; (iii) in the event of a material breach of the Affiliation Agreement that remains uncured more than ninety (90) days after notice of such breach has been provided to Sentara; or (iv) a material change in law that would materially offset or negate the economic benefit of any contribution by the Corporation to the Hospital.

Adopted: 9/29/09

By: Marion M. Wall

M M Wall

Its: Chairman

Attest:

Kella C. Casey

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST ON OPERATING CASH AND ESCROW FUNDS	33,608.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	33,608.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
PORTFOLIO INTEREST & DIVIDENDS	1,093,521.	0.	1,093,521.
TOTAL TO FM 990-PF, PART I, LN 4	1,093,521.	0.	1,093,521.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	19,655.	0.		19,655.
TO FM 990-PF, PG 1, LN 16A	19,655.	0.		19,655.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	11,135.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	11,135.	0.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES & EXPENSES	143,992.	143,992.		0.
CONSULTING FEES	62,459.	0.		60,847.
TO FORM 990-PF, PG 1, LN 16C	206,451.	143,992.		60,847.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE	84,424.	0.		0.
TO FORM 990-PF, PG 1, LN 18	84,424.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CONTRACT SERVICES	6,172.	0.		6,172.
BANK FEES	2,571.	0.		2,571.
OFFICE SUPPLIES AND MISCELLANEOUS	914.	0.		914.
INSURANCE	-10,221.	0.		9,395.
TO FORM 990-PF, PG 1, LN 23	-564.	0.		19,052.

FOOTNOTES STATEMENT 8

EFFECTIVE DECEMBER 2, 2009, POTOMAC HOSPITAL FOUNDATION CONVERTED ITS EXEMPT STATUS FROM PUBLIC CHARITY TO PRIVATE FOUNDATION AS A RESULT OF SALE OF POTOMAC HOSPITAL CORP., A WHOLLY OWNED SUBSIDIARY, TO SENTARA HEALTHCARE.
TO REFLECT THIS CHANGE, THE ORGANIZATION IS FILING TWO SEPARATE RETURNS FOR THE TAX YEAR ENDING OCTOBER 31, 2010 - FORM 990 COVERING ACTIVITY FOR THE PORTION OF THE CONVERSION YEAR DURING WHICH THE ORGANIZATION WAS CLASSIFIED AS PUBLIC CHARITY AND FORM 990-PF FOR THE PORTION OF THE YEAR DURING WHICH IT WAS TREATED AS PRIVATE FOUNDATION.
THIS TREATMENT IS CONSISTENT WITH GUIDELINES OUTLINED IN THE IRS PRIVATE LETTER RULING 201133013 RELEASED ON AUGUST 19, 2011 (ATTACHED).

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 9

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	3,238,041.
OPENING BALANCE	92,325,162.
TOTAL TO FORM 990-PF, PART III, LINE 3	95,563,203.

FORM 990-PF OTHER INVESTMENTS STATEMENT 10

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
SEI LARGE CAP FUND	FMV	27,940,274.	27,940,274.
SEI SMALL CAP FUND	FMV	7,041,482.	7,041,482.
SEI CORE FIXED INCOME FUND	FMV	18,382,406.	18,382,406.
SEI INSTITUTIONAL INVESTMENT TRUST HIGH YIELD BOND FUND	FMV	8,205,208.	8,205,208.
SEI SIIT REAL RETURN A	FMV	9,373,006.	9,373,006.
SEI EMERGING MARKETS DEBT FUND	FMV	4,679,967.	4,679,967.
SEI WORLD EQUITY EX-US FUND	FMV	14,626,826.	14,626,826.
TOTAL TO FORM 990-PF, PART II, LINE 13		90,249,169.	90,249,169.

FORM 990-PF OTHER LIABILITIES STATEMENT 11

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DUE TO RELATED PARTY	0.	124,580.
DEFERRED TAX LIABILITY	0.	64,761.
TOTAL TO FORM 990-PF, PART II, LINE 22	0.	189,341.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARION WALL 2296 OPITZ BLVD WOODBRIDGE, VA 22191	CHAIRMAN 1.00	0.	0.	0.
WAYNE MALLARD 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
SARAH PITKIN, PHD 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
KEN KRAKAUR 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
MIKE LUBELEY 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
DEBORAH JOHNSON 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
HOWARD GREENHOUSE 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
R. MICHAEL SORENSEN 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
CAROL SHAPIRO, MD 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
DONNIE HYLTON 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR 1.00	0.	0.	0.
WILLIAM MOSS 2296 OPITZ BLVD WOODBRIDGE, VA 22191	PAST EXECUTIVE DIRECTOR 20.00	12,357.	2,454.	0.

STEPHEN BATSCHE 2296 OPITZ BLVD WOODBRIDGE, VA 22191	INTERIM EXECUTIVE DIRECTOR 40.00	0.	0.	0.
SHERI WARREN 2296 OPITZ BLVD WOODBRIDGE, VA 22191	DIRECTOR OF GRANT PROGRAMS 40.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		12,357.	2,454.	0.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 13
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

SHERI WARREN,DIRECTOR OF GRANT PROGRAMS
2296 OPITZ BLVD, STE 200
WOODBRIDGE, VA 22191

TELEPHONE NUMBER

703-730-4445

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED.

ANY SUBMISSION DEADLINES

MAY 9, 2011 BY NOON. SUBMISSION DEADLINES ARE ESTABLISHED ANNUALLY AND MAY VARY FROM YEAR TO YEAR.

RESTRICTIONS AND LIMITATIONS ON AWARDS

GRANTS ARE GENERALLY AWARDED ONLY TO ORGANIZATIONS WITHIN THE FOUNDATION'S GEOGRAPHIC AREA (FAIRFAX COUNTY, PRINCE WILLIAM COUNTY AND STAFFORD COUNTY ZIP CODES: 22079,22193,
22025,22192,20112,22134,22172,22191,22554,22556).

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	204,861.848 UNITS SEI CORE FIXED INCOME FUND	P	VARIOUS	06/01/10
b	836,700.963 UNITS SEI CORE FIXED INCOME FUND	P	VARIOUS	06/04/10
c	571,464.001 UNITS SEI LARGE CAP FUND	P	VARIOUS	06/04/10
d	1,277.398 UNITS SEI LARGE CAP FUND	P	VARIOUS	09/22/10
e	1,252.436 UNITS SEI CORE FIXED INCOME FUND	P	VARIOUS	09/22/10
f	942.929 UNITS SEI WORLD EQUITY EX-US FUND	P	VARIOUS	09/22/10
g	670.409 UNITS SEI SIIT REAL RETURN A	P	VARIOUS	09/22/10
h	633.6 UNITS SEI HIGH YIELD BOND FUND	P	VARIOUS	09/22/10
i	476.231 UNITS SEI SMALL CAP FUND	P	VARIOUS	09/22/10
j	283.407 UNITS SEI EMERGING MARKETS DEBT FUND	P	VARIOUS	09/22/10
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	2,120,321.		2,091,727.	28,594.
b	8,651,488.		8,543,486.	108,002.
c	8,600,533.		9,140,714.	-540,181.
d	19,838.		20,421.	-583.
e	13,439.		12,793.	646.
f	9,599.		9,598.	1.
g	7,039.		6,979.	60.
h	5,759.		5,599.	160.
i	5,119.		5,195.	-76.
j	3,200.		3,019.	181.
k				
l				
m				
n				
o				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a				28,594.
b				108,002.
c				-540,181.
d				-583.
e				646.
f				1.
g				60.
h				160.
i				-76.
j				181.
k				
l				
m				
n				
o				

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	-403,196.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter "-0-" in Part I, line 8		3	N/A

923591
04-24-09

Form **8868** (Rev. April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Type or print	Name of Exempt Organization	Employer identification number
	POTOMAC HOSPITAL FOUNDATION	52-1340920
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P.O box, see instructions. 2300 OPITZ BLVD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WOODBRIDGE, VA 22192	

Check type of return to be filed (file a separate application for each return):

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec. 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ CONTROLLER
  2296 OPITZ BOULEVARD - WOODBRIDGE, VA 22191
  Telephone No. ▶ (703) 670-1239 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until JUNE 15, 2011 , to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ [ ] calendar year ______ or
▶ [X] tax year beginning DEC 3, 2009 , and ending OCT 31, 2010 .

2 If this tax year is for less than 12 months, check reason: [X] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 0.
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0.
c	**Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev. 4-2009)

Certified #7008 3230 0000 3718 4040

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05-26-09

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of exempt organization	Employer identification number
	POTOMAC HOSPITAL FOUNDATION	52-1340920
File by the extended due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 2300 OPITZ BLVD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WOODBRIDGE, VA 22192	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ CONTROLLER - 2296 OPITZ BOULEVARD - WOODBRIDGE, VA 22191
  Telephone No. ▶ (703) 670-1239 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until SEPTEMBER 15, 2011.

5 For calendar year ______ , or other tax year beginning DEC 3, 2009 , and ending OCT 31, 2010

6 If the tax year entered in line 5 is for less than 12 months, check reason: [X] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
SEE ATTACHMENT

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	**8a**	$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	**8b**	$ 0.
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	**8c**	$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Jeff [signature] Title ▶ CPA Date ▶ 6/9/2011

923842
01-03-11

Certified #7010 1870 0000 5263 4585

2410609 700842 521340920 2009.05070 POTOMAC HOSPITAL FOUNDATION 52134091

Potomac Hospital Foundation
(aka Potomac Health Foundation)
EIN 52-1340920
For tax year ending **10/31/2010**

Form 8868, Part II Additional (Not Automatic) 3-Month Extension of Time
ATTACHMENT

Additional time is being requested to gather information needed to prepare and file a complete and accurate return.

Potomac Hospital Foundation was a parent organization of the Potomac Hospital Corporation until December 2, 2009 when the Potomac Hospital Corporation was acquired by Sentara Healthcare. All of the Foundation's accounting and tax compliance functions were carried out by the Hospital. As a result of this sale, there has been a significant turnover in essential accounting personnel that was responsible for maintaining accounting records which caused confusion and delay in getting the information needed to prepare tax returns.

The Foundation has filed a form 990 in all prior years under public charity status. However, as a result of the sale of Hospital, beginning on December 3, 2009, the Foundation no longer qualifies to file Form 990 and will file Form 990PF as a private foundation going forward. The preparations of final Form 990, initial Form 990PF, and request for reclassification from public charity to private foundation status are now in progress but require additional time to complete.