

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

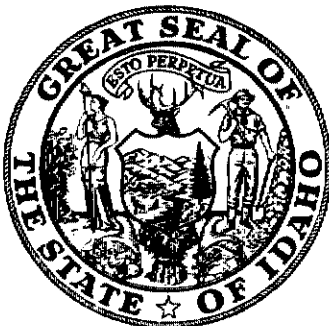
VALLEY HEALTH NETWORK, INC.

File number C 111260

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of VALLEY HEALTH NETWORK, INC. duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: July 5, 1995



Pete T. Cenarrusa
SECRETARY OF STATE

By *Anna Seibel*

Jul 5 10 05 AM '95
SECRETARY OF STATE
STATE OF IDAHO

**ARTICLES OF INCORPORATION
OF
VALLEY HEALTH NETWORK, INC.**

I, the undersigned, acting as the incorporator of a nonprofit corporation ("Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Chapter 3, Title 30, Idaho Code ("Act"), adopt the following Articles of Incorporation for the Corporation.

IDAHO SECRETARY OF STATE
7/5/95 9:00:00 AM
Customer # 1000000000
IVC3600008

CORPORATION NON PROFIT
1 @ 30.00 = 30.00

ARTICLE I.

NAME

The name of the Corporation is Valley Health Network, Inc.

ARTICLE II.

NONPROFIT STATUS

The Corporation is a nonprofit corporation.

ARTICLE III.

PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV.

INITIAL REGISTERED OFFICE AND AGENT

The location of this Corporation is in the City of Rexburg, County of Madison, State of Idaho. The address of the initial registered office is 501 Park Avenue, Idaho Falls, Idaho 83402 and the initial registered agent at this address is Gregory P. Meacham.

ARTICLE V.

PURPOSES

The Corporation has been designed as a physician - hospital organization. The mission of the Corporation shall be to organize and operate a cost effective and a quality enhanced managed care organization. The Corporation will serve as a basis for a partially integrated healthcare delivery system consisting initially of Madison Memorial Hospital ("Hospital") and certain physicians on the Hospital's medical staff who wish to enter into agreements to provide medical and healthcare services through the

Corporation. The Corporation will not practice medicine or perform healthcare services as an entity, but Corporation will act as an agent to facilitate the practice of medicine by physicians and the delivery of healthcare services by hospitals. The Corporation will organize and operate a network of preferred providers to service the health benefit plans offered or serviced by health maintenance organizations, preferred provider organizations, insurers, self-insured employers and multiple employer benefit plans. Additionally, the Corporation is organized to transact any and all lawful business as may be permitted under the Act, excluding the direct practice of medicine.

ARTICLE VI.

LIMITATIONS

No part of the net earnings or the assets of the Corporation shall inure to the benefit of, or be distributable to, the Corporation's members, 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 the purpose set forth in Article V. hereof.

ARTICLE VII.

MEMBERS

The Corporation will have two classes of members: the Hospital Member and Physician Class Members. The members shall have such rights as are provided in the By-Laws of the Corporation, and such as are provided in the Act and are consistent with the management authority that these Articles grant the Board of Directors of the Corporation.

The Hospital Member shall be the Madison Memorial Hospital in Rexburg, Idaho.

Each Physician Class Member shall be an individual who simultaneously possesses the following qualifications and characteristics: (i) is a doctor of medicine or a doctor of osteopathy; (ii) is a licensed physician in the State of Idaho; (iii) is a member in good standing of the medical staff of Madison Memorial Hospital; (iv) has executed and currently maintains a Physician Member Participation Agreement to provide medical services on behalf of the Corporation; and (v) who continues to satisfy the above stated conditions as well as any other conditions for membership in the Corporation as they are adopted from time to time by the Board.

ARTICLE VIII.

BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by its Board of Directors. The actual number of Directors shall be fixed by the By-Laws of the Corporation. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected or appointed by the existing Directors in the manner and for the term provided in the By-Laws of the Corporation.

The By-Laws of the Corporation may provide that Committees of Directors may exercise certain powers of the Board. The Board may employ a Medical Director who may serve as a voting member of such Committees as the By-Laws may designate.

The names and street addresses of the persons constituting the initial Board of Directors are:

<u>Name</u>	<u>Address</u>
Hyrum C. Blackburn, MD	182 South Clark Rigby, Idaho 83442
Robert D. Gerrie, MD	P.O. Box 304 Rexburg, Idaho 83440
Robert C. Lofgran, MD	30-B Professional Plaza Rexburg, Idaho 83440
Newell K. Richardson, MD	P.O. Box 355 Rexburg, Idaho 83440
C. Jeffrey Zollinger, MD	393 East 2nd North Rexburg, Idaho 83440
Keith Steiner	P.O. Box 310 Rexburg, Idaho 83440
Louis Rasmussen (Trustee)	P.O. Box 329 Sugar City, ID 83448
Cecil K. Ricks (C.F.O.)	P.O. Box 310 Rexburg, ID 83440-0310

ARTICLE IX.

MEMBERSHIP DUES

The Board may determine from time to time the amount of the membership fee and annual dues, if any, payable to the Corporation by members. The Board may also at any time, and at its discretion, assess additional fees necessary for carrying out the business of the Corporation. All fees or dues payable by the members shall be paid equally by the Hospital Member and the Physician Class Members, with each Physician Class Member paying a pro rata share of dues.

ARTICLE X.

DISTRIBUTION ON DISSOLUTION

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purposes of the Corporation.

Any assets not so distributed shall be distributed by the district court of the county in which the principal office of the Corporation is then located. The court, in its discretion, may determine which entities or individuals receive the remaining assets of the Corporation.

ARTICLE XI.

INCORPORATOR

The name and street address of the incorporator is Keith Steiner, 400 East Main St., Rexburg, ID 83440.

ARTICLE XII.

BY-LAWS

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the By-Laws. The initial bylaws of the Corporation shall be adopted by majority vote by the Board of Directors. The Bylaws may be altered, amended or repealed and new Bylaws, not inconsistent with these Articles of Incorporation or the laws of the State of Idaho, may be adopted at any duly convened meeting of the Directors by a majority vote of the Directors in each class entitled to vote thereon with a quorum present.

Included in the Board of Director's power to amend the Bylaws is the power to add individuals to the membership classes and add Directors to the Board by a majority vote of the Directors in each class entitled to vote at a meeting with quorum present.

Dated this 30 day of June, 1995.



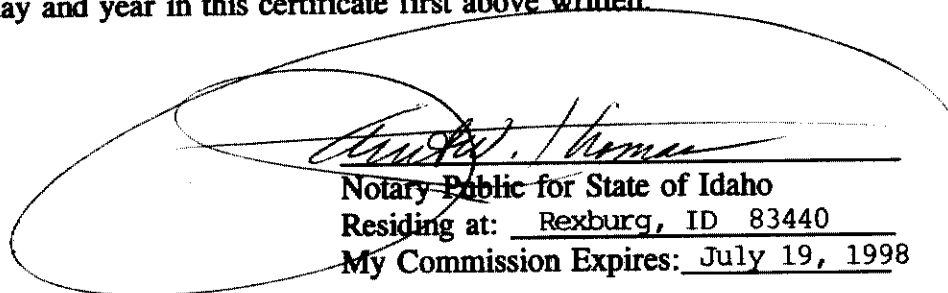
Keith Steiner
Incorporator

STATE OF IDAHO)
) ss.
County of Madison)

On this 30 day of June, 1995, before me, Janet W. Thomas, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Keith Steiner, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)



Notary Public for State of Idaho
Residing at: Rexburg, ID 83440
My Commission Expires: July 19, 1998

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June 28, 1995 draft