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State of Idaho

Department of State

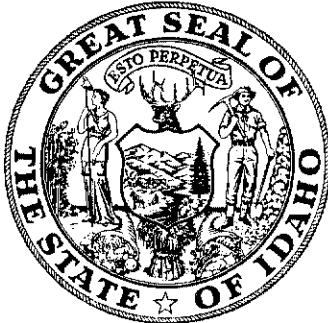
CERTIFICATE OF AMENDMENT OF

ST. MARY'S HOSPITAL, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of ST. MARY'S HOSPITAL, INC. duly signed and verified 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 Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: July 20, 1993



Pete T. Cenarrusa
SECRETARY OF STATE

By *Sally J. Clark*

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SECRETARY OF STATE
86, 44th S. 07 11

ST. MARY'S HOSPITAL

Cottonwood, Idaho

RESTATED ARTICLES OF INCORPORATION

Approved by BHS Board, 6-4-92

**CERTIFICATE OF RESTATED
ARTICLES OF INCORPORATION
OF
ST. MARY'S HOSPITAL, INC.**

We, the President and Secretary of St. Mary's Hospital, Inc., an Idaho nonprofit corporation subject to the provisions of Title 30, Chapter 3 of the Idaho Code, do hereby certify as follows: (a) At a meeting of the Board of Directors of said Corporation held on February 12, 1992, Restated Articles of Incorporation as set forth below were proposed by resolution and the adoption thereof was directed to be submitted for adoption by the member of the Corporation; (b) At a meeting of the member of said Corporation held on June 4, 1992, notice thereof, stating the purpose, having been given to or waived by the member, and a quorum being present, said Restated Articles of Incorporation were duly adopted unanimously by the member; (c) The Restated Articles supersede and take the place of existing Articles of Incorporation and all amendments thereto and amend the following articles of the Restated Articles of Incorporation filed with the Idaho Secretary of State on February 22, 1990:

Article 2 (first paragraph)
Article 3
Article 4
Article 6

Article 7 (2nd sentence)
Article 8
Article 11
Article 12;

and(d) The following Restated Articles of Incorporation are a true copy of the Restated Articles of Incorporation of St. Mary's Hospital, Inc., as to so adopted, to become effective upon recording with the Idaho Secretary of State:

IDaho SECRETARY OF STATE				
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corp	10	25.00	25.00	

RESTATED ARTICLES OF INCORPORATION
OF
ST. MARY'S HOSPITAL, INC.

ARTICLE 1.

Name

The name of the Corporation shall be St. Mary's Hospital, Inc.

ARTICLE 2.

Purposes

The Corporation is created and organized exclusively for charitable, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law (hereinafter referred to as the "Code"). More specifically, the Corporation is created and organized to own, maintain, operate and conduct, directly or indirectly, and to assist and coordinate activities of facilities for health care, education, care for the aged and social services in accordance with the charitable works tradition of the Roman Catholic Church. In keeping with this specific purpose, all works of the Corporation shall be carried out in accordance with the charism of the Benedictine Sisters Benevolent Association, a Minnesota Nonprofit Corporation.

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

SMH Restated Articles of Incorporation (cont'd)

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.

ARTICLE 3.

Powers

Subject to the express purposes set forth above, the Corporation shall have the power to engage in, and to do, any lawful activity which is consistent with the philosophy and mission of the Benedictine Sisters Benevolent Association, a Minnesota Nonprofit Corporation, the Ethical and Religious Directives for Catholic Health Facilities promulgated by the United States Catholic Conference and as applied to specific situations under the guidance of the Bishop of the local Diocese and which nonprofit corporations may engage in or do under the laws of the State of Idaho and, specifically, to acquire, hold, pledge, mortgage, hypothecate, sell, give, lease, remodel, manage or otherwise dispose of or deal in real and personal property within or without the State of Idaho, whether owned by the Corporation or not, and to endorse, guarantee or assume the payment of principal of, or interest on, bonds, notes, or other evidences of indebtedness or obligations, and to guarantee or assume the performance of any other contracts or other undertakings of any corporation, association, partnership or firm which is affiliated with this Corporation, as determined by the member.

SMH Restated Articles of Incorporation (cont'd)

ARTICLE 4.

Nonprofit Corporation

This Corporation is a nonprofit corporation and shall not pay dividends or other pecuniary remuneration, directly or indirectly, to its directors or officers or to its members, other than to members which are nonprofit organizations exempt from Federal income tax under Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of the Code.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, other than to members which are nonprofit organizations exempt from Federal income tax under Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of the Code, or 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 the purposes set forth herein.

ARTICLE 5.

Duration

The duration of the Corporation shall be perpetual.

ARTICLE 6.

Location and Agent

The location of the principal office of the Corporation in Idaho shall be 701 Lewiston Street, Cottonwood, Idaho County, Idaho 83522. The location of the registered office of the Corporation in Idaho shall be 300 North 6th, Boise, Idaho 83701. Registered agent shall be C T Corporation System, 300 North 6th, Boise, Idaho 83701.

SMH Restated Articles of Incorporation (cont'd)

ARTICLE 7.

Member

The Corporation shall have one Member, which shall be Benedictine Health System, a Minnesota nonprofit corporation, 503 East Third Street, Duluth, Minnesota 55805. The Member shall have voting rights.

ARTICLE 8.

Directors

The management of the Corporation shall be vested in a Board of Directors. Directors must be natural persons and a majority of the directors must be adults. The names, address and tenure in office of the voting directors at the time of the adoption of these Restated Articles are set forth on Exhibit A attached.

The voting directors shall be divided into three (3) classes, each class to be as nearly equal in number as possible. Each class shall serve staggered three (3) year terms.

ARTICLE 9.

Personal Liability

Members, officers and directors of the Corporation shall have no personal liability for the obligations of the Corporation.

ARTICLE 10.

Capital Stock

The Corporation shall not have capital stock.

ARTICLE 11.

Dissolution

Upon the dissolution of the Corporation, all of the assets of the Corporation remaining after paying or making provision for the costs and expenses incident to the dissolution proceedings and the liabilities and obligations of the Corporation shall be distributed to the Corporation's members which are then nonprofit organizations exempt from Federal income tax under Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of the Code, subject, however, to any uses and purposes for which the assets have been received and held or any uses and purposes expressed or intended by the original donor; otherwise to the Benedictine Sisters Benevolent Association, a Minnesota nonprofit corporation, if then an organization exempt from Federal income tax under Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of the Code, subject, however, to any uses and purposes for which the assets have been received and held or any uses and purposes expressed or intended by the original donor; otherwise to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as exempt organizations under Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of the Code. Any of such assets not so disposed of shall be disposed of by a liquidation receiver or a court of competent jurisdiction, as such receiver of the Court or as such Court shall determine to an organization or organizations then exempt from taxation under Section 501(c)(3) of the Code, contributions to which are deductible under Section 170(c)(2) of the Code.

SMH Restated Articles of Incorporation (cont'd)

ARTICLE 12.

Reserve Powers

Section 1. Definitions. For the purpose of this Article 12, the following definitions shall apply:

- (a) "Subsidiary" means any organization controlled by this Corporation.
- (b) "Organization" means a domestic or foreign business or nonprofit corporation, partnership, limited partnership, joint venture, association, trust, estate, enterprise or other legal or commercial entity.
- (c) Control exists if an organization:
 - (i) owns, directly or indirectly, more than 50% of the stock ownership or membership interests of another organization;
 - (ii) has the right, directly or indirectly, to elect, appoint or remove more than 50% of the voting members of the governing body of another organization; or
 - (iii) has the power, directly or indirectly, to direct or cause the direction of the management and policies of another organization, whether through ownership of voting interests, by contract, or otherwise.

Section 2. Member Reserve Powers. To the extent permitted under Idaho law and in addition to the powers and rights of the member of the Corporation as set forth in Idaho law, elsewhere in these Articles of Incorporation and the Bylaws, the member shall retain the powers and rights to do the following:

SMH Restated Articles of Incorporation (cont'd)

- (a) Approve the creation or acquisition of any Subsidiary and the Articles and Bylaws of any Subsidiary before they become effective and any joint ventures involving the Corporation or any Subsidiary.
- (b) Approve the establishment of and changes, alterations or revisions to the mission and purposes of the Corporation or any Subsidiary.
- (c) Amend, alter or revise the mission and purposes of the Corporation or any Subsidiary.
- (d) Approve all amendments to the Articles of Incorporation and Bylaws of the Corporation or any Subsidiary before they become effective.
- (e) Amend the Articles of Incorporation and Bylaws of the Corporation or any Subsidiary.
- (f) Elect or appoint the directors of the Corporation from among those persons recommended by the Board of Directors of the Corporation and remove a director of the Corporation, with or without cause, at any time.
- (g) Approve the sale, lease, transfer, assignment, mortgage, encumbrance, pledge or other disposal of real estate of the Corporation or of any Subsidiary if the amount involved is \$500,000, or more, or such lesser amount as determined by the member.
- (h) Approve the sale, lease, exchange, mortgage, encumbrance, disposal or other transfer of all, or substantially all, of the property and assets of the Corporation or of any Subsidiary.

SMH Restated Articles of Incorporation (cont'd)

- (i) Approve all indebtedness of the Corporation or of any Subsidiary before it is incurred, which approvals may be general or confined to specific instances, if such indebtedness is equal to or in excess of \$500,000 in the aggregate or such lesser amount as determined by the member.
- (j) Designate the accounting policies and procedures of the Corporation and any Subsidiary.
- (k) Approve the annual operating and capital budgets (including budgets for real estate acquisitions) of the Corporation and any Subsidiary and all material departures therefrom, as material departures are, from time to time, defined by the member.
- (l) Approve the selection/appointment of the independent auditors and general legal counsel of the Corporation and any Subsidiary.
- (m) Approve all mergers, consolidations, liquidations or dissolutions involving the Corporation or any Subsidiary.

Section 3. Powers Reserved to the President of Benedictine Sisters Benevolent Association. In addition, the President of the Benedictine Sisters Benevolent Association, a Minnesota nonprofit corporation, shall have the right, power and authority to select or appoint the chief executive officer of the Corporation and the chief executive officer of all Subsidiaries and the right, power and authority to remove, with or without cause, the chief executive officer of the Corporation and the chief executive officer of all Subsidiaries.

SMH Restated Articles of Incorporation (cont'd)

These rights, powers and authorities reserved to the President of the Benedictine Sisters Benevolent Association and the exercise thereof shall not cause the President to be a co-member of the Corporation or of any Subsidiary for any other purposes.

IN TESTIMONY WHEREOF, we have hereunto set our hands this 25 day of
May, 1993.

Sister Maryclare Kelly, OSB
Chair

Janet Kamm
Secretary

SMH Restated Articles of Incorporation (cont'd)

VERIFICATION

STATE OF IDAHO)
) ss.
COUNTY OF IDAHO)

I, Sister Mary Geis, a notary public, do hereby certify that on this 15 day of May, 1993, personally appeared before me Sister Mary Laure Kelley, and Loren Knutson, who, being by me first duly sworn, declared that they are the President and Secretary, respectively, of St. Mary's Hospital, Inc., that they signed the foregoing document as officers of the corporation, and that the statements therein contained are true.

Sister Mary Gee's
Notary Public for Idaho

(Notarial Seal)

Residing at: Cottonwood
My Commission Expires: 5-18-96

ST. MARY'S HOSPITAL
COTTONWOOD, IDAHO

<u>Board Members</u>	<u>Term</u>	<u>Term Expiration</u>
Dan Davis Route 1, Box 75R Kamiah, ID 83536	1st	1994
Sister Ramona Ewen St. Scholastica Priory 1200 Kenwood Avenue Duluth, MN 55811 218-723-6555		
Sister Maryclare Kelly, Chair, Box 254 Cottonwood, ID 83522	2nd	1994
Loren Knutson Box 189 Nezperce, ID 83543	2nd	1995
John Ray 302 South 5th Craigmont, ID 83523	1st	1994
Sister Mary Kay Henry St. Gertrude's Priory Cottonwood, ID 83522	1st	1996
Emmett Wilson P.O. Box 446 Cottonwood, ID 83522	1st	1993