

**Articles of Incorporation
of
Public Hospital Cooperative of Southeast Idaho, Inc.**

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STATE OF IDAHO

The undersigned, acting as the incorporator of the nonprofit corporation ("Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho code ("Act"), adopts the following Articles of Incorporation ("Articles").

Article I

Name

The name of the Corporation is: Public Hospital Cooperative of Southeast Idaho, Inc. (PHCSI, Inc.)

Article II

The Corporation is a nonprofit corporation.

Article III

The period of existence or duration of the Corporation shall be perpetual, unless duly dissolved according to law and in accordance with the Articles of Incorporation.

Article IV

Purposes

IDAHO SECRETARY OF STATE
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- A) The Corporation is organized exclusively to engage in charitable activities related to the improvement of health. In furtherance of such purposes, the Corporation shall contribute to the development of a health services delivery system in Southeastern Idaho which aids its members in serving the health care needs of the region's residents and visitors by studying and stimulating the provision of appropriate, accessible, and high quality health services to the entire community, regardless of ability to pay, in a cost effective manner.
- A) To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money, property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or substitute therefor, or a corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time ("Section 501(c)(3)") may not at that time lawfully carry on or do.

Article V

Membership Capital

There shall be two (2) classes of membership in PHCSI. Class One members shall consist of public hospitals or hospital districts defined in the Bylaws. Class Two members shall consist of public entities other than public hospitals or hospital districts to be admitted to membership.

The Board shall establish requirements for Fees, Dues or Assessments to members and their implementation date, and Termination of Membership procedures to be set forth in the Bylaws.

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Each Class One member shall be entitled to appoint a member of the Board of Representatives of the Corporation. These persons so appointed shall be the member's administrator or a person of similar executive position.

The Corporation is not organized for profit and it shall have no capital stock and shall not be authorized to issue capital stock.

Article VI

Principal Office, Registered Office and Registered Agent

The principal office for the transaction of the business of the Corporation in the State of Idaho shall be in the County of Bannock. The address of the register agent shall be 651 Memorial Drive, Pocatello, ID 83201, and name of the registered agent at such address is Ms. Chris Young. Either the registered office or the registered agent of the Corporation may be changed in the manner permitted by law.

Article VII

Bylaws

The Bylaws of the Corporation shall be adopted by the Board of Representatives and the Board of Representatives shall have the power to alter, amend or repeal the Bylaws or adopt new Bylaws as they deem proper for the management of the affairs of the Corporation.

Article VIII

Board of Directors

The affairs and management of the Corporation shall be under the control of the Board of Representatives. Each Class One member shall be entitled to designate one member of the Board of Representatives subject to the procedure set forth in the Bylaws of the Corporation. The names and addresses of the persons who shall serve on the initial Board of Representatives until their successors shall have assumed office or have been qualified are as follows:

Fred R. Eaton
Bannock Regional Medical Center
651 Memorial Drive
Pocatello, ID 83201

Michael G. Andrus
Franklin County Medical Center
44 North First East
Preston, ID 83263

Rodney D. Jacobsen
Bear Lake Memorial Hospital
164 S. 5th
Montpelier, ID 83254

Ron O'Halloran
Harms Memorial Hospital
510 Roosevelt St
American Falls, ID 83221

Louis Kraml
Bingham Memorial Hospital
98 Poplar
Blackfoot, ID 83221

Harry Aubert
Lost Rivers Memorial Hospital
551 Highland Dr
P.O. Box 145
Arco, ID 83213

John Hoopes
Caribou Memorial Hospital
300 South 3rd West
Soda Springs, ID 83276

Keith M. Steiner
Madison Memorial Hospital
450 East Main Street
Rexburg, ID 83440

Carl Hansen
Minidoka Memorial Hospital
1224 8th Street
Rupert, ID 83350

Susan Kunz
Teton Valley Hospital
285 North 1st East
Driggs, ID 83422

Todd V. Winder
Oneida County Hospital
150 North 200 West
Malad, ID 83252

Dan Reiner
Steel Memorial Hospital
Main & Daisy Streets
Salmon, ID 83467

The number of Representatives on the Board of Representatives, the manner of election or appointment, term of office and the procedure for removal shall be established in the Bylaws. The Board of Representatives shall meet annually as provided in the Bylaws. Additional meetings may be held. Notice of all meetings shall be given as provided in the Bylaws. Each representative shall have more no more than one (1) vote.

Article IX

Powers

In furtherance of the purposes of the Corporation, the Corporation shall have and may exercise all of the rights, powers, privileges and immunities now or subsequently conferred upon nonprofit corporations organized under the laws of the State of Idaho.

Article X

Restriction of Powers

No part of the net earnings of the Corporation shall inure to the benefit of or be distributed to its members, representatives, officers or other private persons, except that the Corporation shall be authorized to pay reasonable compensation for services rendered and to make payment and distribution in furtherance of the purposes set forth in these Articles of Incorporation. No substantial part of the activities of the Corporation shall be in carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate, or intervene in (including the publication or distribution of statements) a political campaign on behalf of any candidate for public office. Notwithstanding any other provision of the 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 Internal Revenue Code of 1986 (or the corresponding provision of any further United States Internal Revenue Law) or (b) by a corporation, contributions, to which are deductible under Section 170 (c) 2 of the Internal Revenue Code of 1986 (or the corresponding provision under any future United States Internal Revenue Law).

Article XI

Dissolution

Upon any duly authorized liquidation, dissolution, or winding-up of the Corporation, the Board of Representatives shall, after paying or adequately providing for the payment of all the obligations and liabilities of the Corporation, dispose of all of the assets owned by the Corporation by transferring such assets only and exclusively to or for the benefit of the nonprofit acute general care hospitals of Idaho that are exempt under Section 501(c)(3) or a governmental entity that will use the assets for public use or other organization or organizations crested and operated for not-for-profit purposes similar to those of this Corporation which would then qualify under the provisions of Section 501 (c) 3 of the Internal Revenue Code and the regulations thereunder as they now exist and as they may hereafter be amended. Any of such assets not so disposed of shall be disposed of by the District Court of Bannock County,

Idaho, exclusively to such organization or organizations which are organized and operated exclusively for such purposes, as such court shall determine.

Article XII

Nondiscrimination Policy

The Corporation's services shall be available to all persons regardless of race, color, creed, national origin, sex or handicap, and the Corporation shall not discriminate against anyone on these bases.

Article XIII

Amendment

Subject to the approval of the members the Board of Representatives of the Corporation shall have the right from time to time to dissolve the Corporation or to amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or subsequently prescribed by statute, except that no such amendment, alteration, change or repeal may alter the restrictions set forth in Article IX unless so amending, altering, changing or repealing such restrictions would not disqualify the Corporation as a nonprofit corporation under the laws of the State of Idaho or disqualify it from any exemption it has been granted under Section 501(c)(3) of the Internal Revenue Code.

Article XIV

Indemnification and Personal Liability

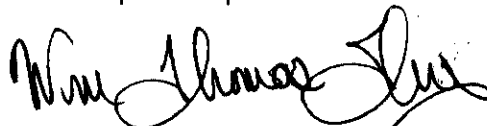
No member of the Board of Representatives shall be liable to the Corporation or its members for any action within the scope of the Representative's duties which conforms to the standard of conduct set forth in Section 30-3-80 of the Idaho Non Profit Corporation Act or any successor thereto.

Article XV

Incorporators

In witness whereof, the Articles of Incorporation adopted by the Board of Representatives on this 14th day of FEBRUARY, 2000.

Public Hospital Cooperative of Southeast Idaho, Inc.



Incorporator

Wm. THOMAS SKAGES
SECRETARY/TREASURER

Incorporator address
651 MEMORIAL DR
POCATELLO ID 83201