

FILED EFFECTIVE

**ARTICLES OF RESTATEMENT
OF
ST. JOSEPH REGIONAL MEDICAL CENTER, INC.**

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STATE OF IDAHO

TO THE SECRETARY OF STATE OF THE STATE OF IDAHO: Pursuant to Title 30, Chapter 3, Idaho Code, the undersigned nonprofit corporation amends and restates its Articles of Incorporation as follows:

1. *The name of the corporation is ST. JOSEPH REGIONAL MEDICAL CENTER, INC.*
2. *This Restatement of the Articles constitutes an amendment of the Articles requiring the approval of the sole member of the corporation.*
3. *The text of the Restated Articles of Incorporation follows:*

**RESTATED
ARTICLES OF INCORPORATION
OF
ST. JOSEPH REGIONAL MEDICAL CENTER, INC.**

**ARTICLE I
CORPORATION**

- 1.1 **Name.** The name of the corporation shall be St. Joseph Regional Medical Center, Inc. (the "Corporation").
- 1.2 **Principal Place of Business.** The place where the principal business of the Corporation shall be transacted and its principal office shall be St. Joseph Regional Medical Center, Lewiston, Nez Perce County, Idaho, or at such other place as the Board of Directors of the Corporation shall from time to time determine.
- 1.3 **Definitions.** Capitalized terms and phrases not otherwise defined herein shall have the meanings ascribed thereto in the Bylaws of the Corporation.
- 1.4 **Philosophy.** The philosophy of the Corporation shall be that of the Sponsors as articulated and promoted through statements of mission, vision and values of the Corporation in accordance with the official teachings of the Roman Catholic Church and the *Ethical and Religious Directives for Catholic Health Care Services* as approved and promulgated, from time to time, by the United States Conference of Catholic Bishops.

IDAHO SECRETARY OF STATE
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ARTICLE II
PURPOSES

- 2.1 Statement of Role and Purposes.** The purposes for which the Corporation shall be organized are exclusively charitable, religious, educational and scientific within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law) (the "Code"). Further, the Corporation shall be organized and at all times shall be operated exclusively for the benefit of, to perform the functions of, and to carry out the purposes of the Sponsors and such other of its Subsidiary Organizations that qualify under Section 501(c)(3) and Section 509(a)(1) or Section 509(a)(2) of the Code. The Corporation's purposes shall be consistent with and supportive of the corporate purposes of Ascension Health. In furtherance of these purposes, the Corporation may:
- 2.1-a** Serve as the parent corporation for an integrated health care delivery and financing network.
 - 2.1-b** Operate and support health care institutions and activities which are sponsored by the Sponsors, both within and without the State of Idaho.
 - 2.1-c** Serve as an integral part of the Roman Catholic Church and carry out its mission in support of or in furtherance of the charitable purposes of the organizations described in this Section 2.1.
 - 2.1-d** Further the philosophy and mission of Ascension Health of healing and service to the sick and poor, and promote, support and engage in any of the religious, charitable, scientific and educational ministries which are now, or may hereafter be, established by Ascension Health, or sponsored by the Sponsors and which are in furtherance of or in support of the charitable purposes of the organizations described in this Section 2.1.
 - 2.1-e** Raise funds for any or all of the organizations described in this Section 2.1 from the public and from all other sources available; receive and maintain such funds and expend principal and income therefrom in support of or in furtherance of the charitable purposes of such organizations.
 - 2.1-f** Acquire, own, use, lease as lessor or lessee, convey and otherwise deal in and with real and personal property and any interest therein, all in support of or in furtherance of the charitable purposes of organizations described in this Section 2.1.
 - 2.1-g** Contract with other organizations (for profit and nonprofit), with individuals and with governmental agencies in support of or in furtherance of the charitable purposes of the organizations described in this Section 2.1.

- 2.1-h** Engage in any lawful activities within the purposes for which a corporation may be organized under the Idaho Nonprofit Corporation Act (the "Act"), as it may be amended from time to time, which are in furtherance of or in support of the charitable purposes of the organizations described in this Section 2.1.
- 2.1-i** Serve as the controlling entity of Subsidiary Organizations that conduct health related and other activities, and limit the powers, duties and responsibilities of the governing bodies of such Subsidiary Organizations, all in accordance with requirements established by Ascension Health.
- 2.1-j** Support institutions sponsored by the Sponsors, both within and without the State of Idaho, and cooperate with other Ascension Health institutions.
- 2.1-k** Promote cooperation and exchange knowledge and experience among the various apostolates of the Sponsors within the health care mission.
- 2.1-l** Otherwise operate in support of or in furtherance of the charitable purposes of the organizations described in this Article, and do so exclusively for religious, charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code and in the course of such operation:
- (i) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons unless allowed by Section 501(c)(3) of the Code and the Act 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.
 - (ii) 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.
 - (iii) Notwithstanding any other provisions of the Corporation's Governing Documents, 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 III **PERIOD OF EXISTENCE**

The term of existence of this Corporation shall be perpetual.

ARTICLE IV
MEMBERSHIP

- 4.1 **Number and Eligibility.** There shall be one (1) member of the Corporation, and such member shall be Ascension Health, a Missouri nonprofit corporation, having its registered office at 4600 Edmundson Road, St. Louis, Missouri 63134.
- 4.2 **Meetings.** Meetings of Ascension Health shall be held at such date, time and place, either within or without the State of Idaho, as shall be specified in the bylaws of Ascension Health.

ARTICLE V
BOARD OF DIRECTORS

- 5.1 **Number of Directors.** The Board of Directors of the Corporation shall be composed of such voting directors not fewer than three (3) nor more than thirteen (13) in number as determined from time to time by Ascension Health. The Board of Directors shall include at least one (1) member of the Sponsors and at least one-third (1/3) of the members of the Board of Directors shall be lay members of the community served by the Corporation.
- 5.2 **Powers and Responsibilities.** The business, property, affairs and funds of the Corporation shall be managed, supervised and controlled by its Board of Directors who shall exercise all of the powers of the Corporation not reserved to Ascension Health or to its Members and in accordance with System Policies and subject to the limitations contained in the Corporation's Governing Documents and applicable law. The powers of the Board shall include, but not be limited to, the following:
- 5.2-a Develop and approve the mission and vision statements for the Corporation, approve the mission and vision statements for its respective Subsidiary Organizations and assure compliance with the philosophy, mission, vision, Sponsor expectations and core values of Ascension Health in consultation with the Operating Group Executive in whose location the Corporation is located (the "Operating Group Executive").
- 5.2-b Approve and recommend the formation or acquisition of legal entities for which Ascension Health will serve as the sole or controlling entity, and approve the formation of all other legal entities, subject to the approval of the Operating Group Executive.
- 5.2-c Approve requirements of, and adopt or approve changes to, the Governing Documents of the Corporation and its Subsidiary Organizations, if the changes are consistent with the System Requirements for Governing Documents.
- 5.2-d Recommend members of the Board of Directors of the Corporation in consultation with the Operating Group Executive, nominate the Chairperson of the Board of the Corporation in consultation with the Member with canonical jurisdiction and evaluate the Chairperson of the Board of the Corporation.

- 5.2-e Appoint, upon the recommendation of the Board of the applicable Subsidiary Organization, or remove, with or without cause, the members of the Board of Directors of the Subsidiary Organizations of the Corporation. Removal does not require a recommendation of the Subsidiary Organization's Board.
- 5.2-f Appoint or remove the President and Chief Executive Officer of the Corporation with concurrent approval of the Operating Group Executive and in consultation with the Member with canonical jurisdiction, and establish annual performance objectives, evaluate performance and determine compensation of the President and Chief Executive Officer of the Corporation with concurrent action by the Operating Group Executive.
- 5.2-g Approve the incurrence of debt of the Corporation and its Subsidiary Organizations in accordance with the System Authority Matrix.
- 5.2-h Approve the strategic and financial plans, scorecard targets and initiatives for the Corporation, subject to approval by the Operating Group Executive.
- 5.2-i Approve the operating budget and capital plan for the Corporation, subject to ratification by the Operating Group Executive.
- 5.2-j Subject to canonical requirements, approve the sale, transfer or substantial change in use of all or substantially all of the assets, divestitures, dissolutions, closures, merger, consolidations or changes in corporate membership of Subsidiary Organizations of the Corporation in consultation with the Operating Group Executive.
- 5.2-k Subject to canonical requirements, approve the transfer or encumbrance of tax exempt financed assets of the Corporation and its Subsidiary Organizations in accordance with the System Authority Matrix.

5.3 Reserved Powers. The following powers shall be reserved to Ascension Health:

- 5.3-a Approve the formation or acquisition of legal entities for which Ascension Health will serve as the sole or controlling entity and, subject to canonical requirements, approve the sale, transfer or substantial change in use of all or substantially all of the assets of the Corporation or the divestiture, dissolution, closure, merger, consolidation, change in corporate membership or corporate reorganization of the Corporation.
- 5.3-b Approve requirements of, and approve changes to, the Governing Documents of the Corporation and its Subsidiary Organizations, if the changes are inconsistent with the System Requirements for Governing Documents.

- 5.3-c Appoint, upon the recommendation of the Board of the Corporation or remove, with or without cause, the members of the Board of Directors of the Corporation.
- 5.3-d Appoint or remove, with or without cause, the Chairperson of the Board of the Corporation, in consultation with the Member with canonical jurisdiction.
- 5.3-e Approve the transfer of assets and the reallocation of debt among Health Ministries in accordance with the System Authority Matrix, in consultation with the Corporation's Board.
- 5.3-f Approve the transfer or encumbrance of tax exempt financed assets of the Corporation and its Subsidiary Organizations in accordance with the System Authority Matrix.
- 5.3-g Approve the incurrence of debt of the Corporation in accordance with the System Authority Matrix.

ARTICLE VI
PROVISIONS FOR REGULATION AND CONDUCT
OF THE AFFAIRS OF CORPORATION

- 6.1 **Amendments.** The power to approve changes to the Governing Documents of the Corporation that are consistent with the System Requirements for Governing Documents shall be vested in the Corporation's Board. The power to approve changes to the Governing Documents of the Corporation that are inconsistent with the System Requirements for Governing Documents shall be vested in the Ascension Health Board.
- 6.2 **Meetings by Telecommunications Device.** Members of the Board of Directors may participate in a meeting by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear each other simultaneously. Participation in such meeting in such manner shall constitute presence in person at such meeting.
- 6.3 **Meetings of the Board.** Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall from time to time determine, however, the Board of Directors shall meet at least quarterly. Said meetings may be held within or without the State of Idaho.
- 6.4 **Dissolution.** Upon the dissolution of the Corporation, the disposition of all the assets of the Corporation shall be in a manner as provided by the Board of Directors (subject to the prior approval of Ascension Health) and in accordance with the following:
 - 6.4-a The paying of or the making of provision of the payment of all of the liabilities, direct or indirect, contingent or otherwise, including without limitation, all liabilities evidenced in all outstanding loan agreements, credit agreements, master indentures and other similar documents.

- 6.4-b** Subject to compliance with the dissolution principles of Ascension Health, all assets remaining after the payment of all of the liabilities of the Corporation shall be distributed to Ascension Health or such other exempt organization(s) under Section 501(c)(3) of the Code as shall be determined by the Members of Ascension Health.
- 6.4-c** Any other assets not so disposed of shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.
- 6.5** **Business Affairs**. The Corporation shall conduct its affairs in accord with policies, procedures, directives and guidelines established from time to time by Ascension Health or any successor entity.

ARTICLE VII
EFFECTIVE DATE

These Restated Articles of Incorporation shall become effective the 5th day of December, 2002.

[End of Restated Articles of Incorporation]

4. Date and Manner of Adoption: On November 12, 2002, Carondelet Health System, Inc., the sole member of the Corporation, approved and adopted the foregoing amendment. On November 20, 2002, the Provincial Superior and Provincial Council of the Los Angeles Province of the Sisters of St. Joseph of Carondelet, pursuant to their reserved powers under the existing Articles, approved and adopted the foregoing amendment. On November 25, 2002, the foregoing amendment was approved and adopted by the Board of Directors of the Corporation.

IN WITNESS WHEREOF, the undersigned corporation has caused these Articles of Restatement to be executed in its name by its President and Chief Executive Officer, Howard A. Hayes, this 25th day of November, 2002.

**ST. JOSEPH REGIONAL MEDICAL
CENTER, INC.**

By: *Howard A. Hayes*
Howard A. Hayes
President and Chief Executive Officer