

State of Idaho

Department of State

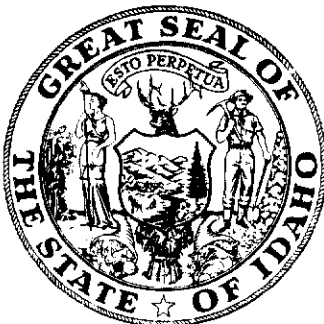
CERTIFICATE OF AMENDMENT OF

SAINT ALPHONSUS DIVERSIFIED CARE, INC.
File Number C 78228

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 SAINT ALPHONSUS DIVERSIFIED CARE, 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 Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: March 07, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By

[Signature]

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AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF

SAINT ALPHONSUS DIVERSIFIED CARE, INC.

Holy Cross Health System Corporation, as the Corporate Member of Saint Alphonsus Regional Medical Center, Inc., the Corporate Member of this Corporation, pursuant to a resolution duly adopted on the 9th day of February, 1996, at a special meeting of said corporation, duly adopted, by a majority vote of 13 of 15 voting members, the following Amended and Restated Articles of Incorporation.

The Corporation was originally incorporated on April 1, 1985 pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30 of the Idaho Code and shall continue pursuant to the provisions thereof. The Articles of Incorporation were amended on or about October 26, 1992, whereby the name of the Corporation was changed from Saint Alphonsus Magnetic Resonance, Inc. to its current name.

The Articles of Incorporation are hereby amended and restated in their entirety as hereinafter provided.

ARTICLE I

Corporation

Section I-1. Name

The name of this corporation is SAINT ALPHONSUS DIVERSIFIED CARE, INC.

Section I-2. Exempt Status

The Corporation is organized as a nonprofit corporation.

Section I-3. Duration

The period during which it is to continue as a corporation is perpetual.

IDaho SECRETARY OF STATE
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ARTICLE II

Purposes and Philosophy

The purposes and philosophy of this Corporation are as follows:

(a) To manage, administer, own, maintain, construct, establish, support and provide services to charitable, private or, governmental health care providers and institutions, including, but not limited to: medical centers, hospitals, outpatient clinics, residential facilities for the elderly and handicapped, medical office buildings, nursing homes, skilled nursing facilities, intermediate care facilities, ambulatory care and surgery centers, congregate living facilities, health awareness facilities, and to directly or indirectly own and operate specialized institutes for the provision of specialized health care, diagnostic and therapeutic equipment and service providers. Such activities may be conducted directly or in participation with others through partnerships, corporations or other joint venture associations which may be non-profit or for-profit and such further lawful purposes granted by the laws of the State of Idaho to non-profit corporations to the extent consistent with purposes hereunder.

(b) This Corporation will be operated in accordance with the basic principles of Catholic identity, Mission and Core Values and policies pertaining to Sisters in Governance as established by the Class I Directors of Holy Cross Health System Corporation; the system-wide policies promulgated from time to time by Holy Cross Health System Corporation, which shall be referred to as "System Policies" and will abide by the values and principles inherent in the medical-moral teachings of the Church as promulgated by the National Conference of Catholic Bishops and the local Ordinary.

(c) To have and exercise all the general rights, privileges, and powers permitted under the Idaho Nonprofit Corporation Act; provided, however, that no such activity shall be such as is: (i) not permitted for a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or any corresponding future provision of the Internal Revenue Code, including, without limitation, the requirements that no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation (except as otherwise allowed under such applicable tax or other laws), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office; or (ii) not permitted pursuant to subparagraphs (a) and (b) above.

Upon the cessation of business, termination or dissolution of the Corporation, the Board of Directors shall, upon paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner as shall be determined by the Congregation of the Sisters of the Holy Cross (the

"Congregation"), if, at such time, said Congregation is still a not-for-profit, charitable organization; or to a religious, charitable or benevolent institution created under the law and directed by said Congregation of the sisters of the Holy Cross which qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code to be used solely for acknowledged charitable purposes. If it is not then possible under the laws then applicable for distribution to be made at the direction of the Sisters of the Holy Cross, the assets of the Corporation shall be distributed by the Board of Directors exclusively for the purposes of the Corporation in such manner or 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 Internal Revenue Code or the corresponding provision of any future United States Internal Revenue laws, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the district court of the county in which the principal place of business 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 operating exclusively for such purposes.

ARTICLE III

Membership

Section III-1. Membership

There shall be two (2) classes of membership: voting and non-voting.

(a) The Voting Member, who shall also be known as the "Corporate Member," shall be Saint Alphonsus Regional Medical Center, Inc., an Idaho nonprofit corporation.

(b) The non-voting members shall be those other persons who are members of the Board of Directors of this Corporation. The terms of non-voting members shall commence contemporaneously with their election to the Board of Directors and extend for the duration of their tenure as Directors.

Section III-2. Voting Rights of Members

The Corporate Member shall act upon the following matters to the exclusion of the non-voting members of the Board of Directors:

(a) The borrowing of money for capital purposes or for any purpose not involving day to day operations of the Corporation, in conformity with the limits, amounts, thresholds and purposes set forth in the most recent Voting Member Policy on Capital Borrowing;

(b) The purchase, sale, lease (as lessee or lessor), disposition or hypothecation of real property of the Corporation, in conformity with the limits, amounts, thresholds and purposes set forth in the most recent Voting Member Policy on Capital Borrowing;

(c) The appointment of fiscal auditors;

(d) The appointment, evaluation, reappointment and removal of Directors of the Corporation;

(e) The filling vacancies which might occur on the Board of Directors of the Corporation;

(f) The adoption, altering, amending or repealing of the Articles of Incorporation and the Bylaws of the Corporation;

(g) The liquidation, dissolution, winding up or abandonment of the Corporation;

(h) The appointment, evaluation, reappointment, removal and compensation of the President of the Corporation;

(i) The retention and exercise or delegation of any voting rights associated with the ownership of any shares of stock owned or held by this Corporation or any corporation subsidiary to or controlled by this Corporation;

(j) The approval of this Corporation's Strategic Plan; and

(k) The approval of consolidated capital and operating budgets of this Corporation.

The Corporate Member shall act upon and determine all other matters reserved for members by the Idaho Nonprofit Corporation Act or as reserved in these Articles or as reserved in the Bylaws of the Corporation.

ARTICLE IV

Board of Directors

Section IV-1. Membership

The Corporate Member shall elect a Board of Directors. The number, qualification, term of office, method of election and other matters relating to the Board of Directors shall be as established in the Bylaws from time to time.

Section IV-2. Duties

(a) With the exception of the powers reserved to the Corporate Member by these Articles or by the Bylaws of the Corporation, the Corporate Member delegates authority and responsibility to the Board of Directors for the operation of the Corporation in accordance with the System Policies promulgated by the Sisters of the Holy Cross and as provided in the Bylaws of the Corporation.

(b) The Board of Directors shall manage, regulate, govern and conduct the affairs and business of the Corporation, directly and through its officers and committees in accordance with the System Policies and the Congregation's Philosophy for Health Care Service, and in compliance with the values and principles inherent in the medical-moral teachings of the Church as promulgated by the National Conference of Catholic Bishops and the local ordinary. The Board of Directors shall make appropriate recommendations relative to corporate activities requiring the exercise of any and all powers reserved to the Corporate Member by these Articles or by the Bylaws of the Corporation.

ARTICLE V

Indemnification of Directors, Officers and Employees

The Corporation shall indemnify any Director, officer or employee or former Director, officer or employee of the Corporation against expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceeding in which he or she is made a party by reason of having been a Director, officer or employee, EXCEPT in relation to matters as to which he or she shall be adjudged to be liable for his or her own negligence or misconduct in the performance of such duty. The Corporation may also reimburse any Director, officer or employee the reasonable costs of settlement of any such action, suit or proceedings if it shall be found by a majority of the disinterested members of the Corporation or of the Board of Directors that it was in the best interest of the Corporation that such settlement be made and that such Director, officer or employee was not guilty of negligence or misconduct.

ARTICLE VI

Neither the members of the Corporation, nor any Director, Director or Officer, shall have any property rights in the Corporation or any of its property. The Members shall not be subject to nor liable for dues or assessments.

IN WITNESS WHEREOF, the undersigned Corporate Member of the Corporation does hereby certify to the due adoption of the foregoing Amended and Restated Articles of Incorporation and state that the Amended and Restated Articles

of Incorporation correctly set forth all of the operative provisions of the Articles of Incorporation as heretofore amended and that these Amended and Restated Articles of Incorporation amend and supersede in their entirety the original Articles of Incorporation and all previous amendments thereto.

BY: Karl Kurtz
Karl Kurtz, as
President of Saint Alphonsus
Regional Medical Center, Inc.

BY: Melville Fisher
Melville Fisher, as
Secretary of Saint Alphonsus
Regional Medical Center, Inc.