

FILED EFFECTIVE

ARTICLES OF INCORPORATION

OF

DIVINE MEDICAL SERVICES, INC.

APR 28 PM 4:02

SECRETARY OF STATE
STATE OF IDAHO

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby certify, declare and adopt the following Articles of Incorporation ("Articles"):

Article I

Name

The name of the corporation is Divine Medical Services, Inc. (the "Corporation").

Article II

Purposes

The purposes for which the Corporation is organized are:

- A. To further any and all charitable, scientific, religious and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, or comparable provisions of subsequent legislation (the "Code");
- B. To carry out the purposes of St. Benedicts Family Medical Center, Inc., which is the sole member of the Corporation (the "Corporate Member"), Saint Alphonsus Regional Medical Center, Inc., an Idaho non-profit corporation ("Saint Alphonsus"), and Trinity Health Corporation, an Indiana non-profit corporation ("Trinity Health"), and to further the apostolate of Catholic Health Ministries (and prior to the establishment of Catholic Health Ministries, that of its two predecessor Sponsoring Congregations, the Sisters of Mercy, Regional Community of Detroit, and the Congregation of the Sisters of the Holy Cross) on behalf of and as an integral part of the Roman Catholic Church in the United States;
- C. To engage in the delivery of and to carry on, sponsor or participate in, directly or through one or more affiliates, any activities related to the delivery of ambulatory health care and related services which are appropriate in carrying out the purposes of the Corporation.

IDAHO SECRETARY OF STATE
 04/28/2005 05:00
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Member, Saint Alphonsus and Trinity Health, and the health care mission of Catholic Health Ministries (and prior to the establishment of Catholic Health Ministries, that of its two predecessor Sponsoring Congregations, the Sisters of Mercy, Regional Community of Detroit, and the Congregation of the Sisters of the Holy Cross). The Corporation shall take all such actions as may be necessary or desirable to accomplish the foregoing purpose within the restrictions and limitations of these Articles of Incorporation, the Bylaws of the Corporation or applicable law, including, without limitation, promoting and carrying on scientific research and educational activities related to the care of the sick and promotion of health, and establishing, maintaining, owning, managing, operating, transferring, conveying, supporting, assisting and acquiring institutions, facilities and programs, directly or through one or more affiliates, including, but not limited to, hospitals and clinics, which shall provide diagnosis and treatment to inpatients and outpatients and shall provide such support services as, but not limited to, extended care, shared services, pastoral care, home care, long-term care, care of the elderly and the handicapped, care of the economically needy, child care, social services, mental health and substance abuse services;

- F. To acquire, purchase, own, loan and borrow, erect, maintain, hold, use, control, manage, invest, exchange, convey, transfer, sell, mortgage, lease and rent all real and personal property of every kind and nature, which may be necessary or incidental to the accomplishment of any and all of the above purposes;
- G. To accept, receive and hold, in trust or otherwise, all contributions, legacies, bequests, gifts and benefactions which may be left, made or given to the Corporation, or its predecessor or constituent corporations, by any person, persons or organizations;
- H. To provide benefit to the Corporate Member, Saint Alphonsus and Trinity Health in conformity with the purposes of the Corporation;
- I. To take all such actions as may be necessary or desirable to accomplish the foregoing purposes within the restrictions and limitations of these Articles of Incorporation, the Bylaws of the Corporation and applicable law, provided that no substantial part of the activities of the Corporation shall be to carry out propaganda, or to otherwise attempt to influence legislation; and the Corporation shall not participate or intervene in any political campaign on behalf of or in opposition of any candidate for public office (by the publishing or distribution of statements or otherwise), in violation of any provisions applicable to corporations exempt from taxation under Section 501(c)(3) of the Code and the regulations promulgated thereunder as they now exist or as they may be hereafter amended;

- J. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors ("Directors"), officers or other private individuals, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for the Corporation and to make payments and distributions in furtherance of the purposes set forth herein;
- K. Notwithstanding any other provisions of these Amended and Restated Articles of Incorporation, the Corporation shall not carry on any activity not permitted to be carried on by:
- (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Code;
 - (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Code; or
 - (iii) a corporation described in Section 509(a)(3) of the Code (or, if the Corporation is so classified, Section 509(a)(1) or 509(a)(2) of the Code).

Article III

Catholic Identity

The activities of the Corporation shall be carried out in a manner consistent with "The Guiding Principles for Catholic Health Ministries and its Apostolic Works" or a successor document which sets forth the principles, describing how the Apostolic and Charitable Works of Catholic Health Ministries (and prior to the establishment of Catholic Health Ministries, that of its two predecessor Sponsoring Congregations, the Sisters of Mercy, Regional Community of Detroit, and the Congregation of the Sisters of the Holy Cross) are to be carried out; the teachings of the Roman Catholic Church; other directives promulgated from time to time by Catholic Health Ministries; and, the values and principles inherent in the medical-moral teachings of the Church (such as the Ethical and Religious Directives for Catholic Health Care Services) as promulgated from time to time by the National Conference of Catholic Bishops (or any successor organization) and as interpreted by the local Ordinary.

Article IV

Organization

The Corporation is organized on a nonstock basis as a membership corporation. The Corporation's sole member is the Corporate Member. Except as otherwise set forth in Article VI of these Articles, the Corporate Member shall have the sole voting power with respect to the conduct of the business of the Corporation.

Article V

Registered Office and Resident Agent

The address of the Corporation's registered office is 709 North Lincoln, Jerome, Idaho, 83338. The name of the resident agent at such registered office is Mike Cooper. The address of the Corporation's registered office and/or name of the Corporation's resident agent may be changed from time to time by the Board of the Corporation.

Article VI

Reserved Powers

Approval of the following matters shall be reserved exclusively to the Corporate Member, Saint Alphonsus, which is the sole member of the Corporate Member or Trinity Health as set forth herein. The Corporate Member may initiate and implement any proposal with respect to any of the following and, if any proposal with respect to any of the following is otherwise initiated, it shall not become effective unless approved by the Corporate Member, Saint Alphonsus and/or by Trinity Health as provided below:

6.1 Powers Reserved to the Corporate Member and Saint Alphonsus. The following powers shall be reserved to the Corporate Member and Saint Alphonsus:

- A. The appointment (to fill vacancies or otherwise) and evaluation of all persons to the Board of Directors (the "Board") or other governing body of the Corporation;
- B. Appointment, evaluation, reappointment and removal of the chair of the Board and the officers of the Corporation;
- C. Appointment, evaluation, reappointment and removal of the administrator of the Corporation, provided the Corporate Member and Saint Alphonsus shall consult with the Board regarding such appointment, evaluation, reappointment and removal decisions;
- D. The approval of any expenditure in excess of \$100,000;
- E. The acquisition, transfer, encumbrance or disposition of assets by purchase, sale, capital lease, mortgage, disposition or hypothecation with a value in excess of two percent (2%) of net assets of the Corporation; and
- F. Approval of the Corporation's quality oversight process.

6.2 Powers Reserved to the Corporate Member, Saint Alphonsus and Trinity Health. The following powers shall be reserved to the Corporate Member, Saint Alphonsus and to Trinity Health:

- A. Any change to the structure or operation of the Corporation which would affect its status as a nonprofit entity, exempt from taxation under Section 501(c)(2), 501(c)(3) or 501(c)(4) or other paragraph of Section 501(c) of the Internal Revenue Code, as the case may be;
- B. Adoption or modification of the Articles of Incorporation or Bylaws of the Corporation;
- C. Incurrence of long or short term debt in excess of limits, amounts, thresholds and purposes set forth in the most recent policy of Trinity Health on capital borrowing;
- D. Dissolution of the Corporation, the winding up or abandonment of its business enterprises or liquidation of its assets or the filing of any action in bankruptcy, receivership or similar action;
- E. The sale or transfer of membership or other ownership interest in the Corporation, sale or transfer of all or substantially all of the assets of the Corporation, merger or consolidation of the Corporation or formation of partnerships or other joint ventures between or among the Corporation and third parties (or the execution of a letter of intent or memorandum of understanding in contemplation of any such transaction);
- F. Approval of the creation or dissolution of subsidiaries or affiliates of the Corporation; and
- G. The approval of consolidated capital and operating budgets;
- H. The removal of all persons from the Board or other governing body of the Corporation;
- I. Approval of the strategic plan of the Corporation, which shall be consistent with that of the Corporate Member;
- J. Approval of the addition or termination of significant clinical services or programs of the Corporation or its subsidiaries; and
- K. In recognition of the benefits accruing to the Corporation from Saint Alphonsus and Trinity Health, and in addition to any other rights reserved to the Corporation, Saint Alphonsus and/or Trinity Health under applicable law or the Articles of Incorporation and Bylaws of the Corporation, Saint Alphonsus and Trinity Health shall have the power to

require the Corporation to transfer assets to Saint Alphonsus or Trinity Health or an entity controlled by, controlling or under common control with Saint Alphonsus or Trinity Health, whether within or without the state of domicile of the Corporation, to the extent necessary to accomplish the goals and objectives of Saint Alphonsus and Trinity Health. The Corporation shall not be required to violate its corporate or charitable purposes, the terms of any restricted gifts, the covenants of its debt instruments, or the law of any applicable jurisdiction as a result of any asset transfers to be made to or directed by Saint Alphonsus or Trinity Health pursuant to this provision.

6.3 Powers Reserved to Trinity Health. The following powers shall be reserved to Trinity Health:

- A. Appointment and removal of the independent fiscal auditor of the Corporation.

Article VII

Board of Directors

The number of directors serving on the Board shall be no less than three (3) and no more than seven (7). The initial directors serving on the Board shall be:

<u>Name</u>	<u>Address</u>
Veronica Lierman	709 North Lincoln Jerome, Idaho, 83338
Dennis Maughan	709 North Lincoln Jerome, Idaho, 83338
Curtis Maier	709 North Lincoln Jerome, Idaho, 83338

Article VIII

Indemnification and Standard of Care

8.1 Indemnification. The Corporation shall, to the maximum extent allowed by law, indemnify those persons who are serving or have served as members, trustees, directors, religious congregations or other canonical persons serving as sponsors, officers, employees, committee members, or agents of the Corporation, and those who are serving or have served at the request of the Corporation as a trustee, director, religious congregations or other canonical persons serving as sponsors, officer, manager, partner, employee, committee member, or agent of another corporation, partnership, joint venture,

trust, employee benefit plan, limited liability company or other enterprise, whether for profit or nonprofit, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding.

8.2 Insurance. Except as may be limited by law, the Corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, trustee, religious congregation or other canonical person serving as sponsor, officer, director, committee member, employee, or agent of the Corporation, or who is or was serving at the request of the Corporation as a trustee, religious congregation or other canonical person serving as sponsor, officer, director, committee member, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, to protect against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not this Corporation would have power to indemnify him or her against such liability under state law.

8.3 Standard of Care. Each Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

8.4 Justifiable Reliance. In performing his or her duties, a Director (including when such Director is acting as an officer of the Corporation) shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- A. One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented.
- B. Counsel, public accountants or other persons on matters that the Director reasonably believes to be within the professional or expert competence of such person.
- C. A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.
- D. A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

8.5 Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Director may,

in considering the best interests of the Corporation, consider the effects of any action upon employees, upon suppliers and customers of the Corporation and upon communities in which offices or other establishments of the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described herein.

8.6 Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any actions shall be presumed to be in the best interests of the Corporation.

8.7 Personal Liability of Director. No Director shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless the Director has breached or failed to perform the duties of his or her office under the standards described herein, has engaged in self-dealing, or the action or inaction constitutes willful misconduct or recklessness. The provisions of this Section 8.7 shall not apply to the responsibility or liability of a Director pursuant to any criminal statute or the liability of a Director for the payment or non-payment of taxes pursuant to local, state or federal law.

Nothing in this Article is intended to preclude or limit the application of any other provision of law that may provide a more favorable standard or higher level of protection for the Corporation's Directors.

Article VIII

Dissolution

Upon the dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation remaining after satisfaction of all of its obligations will be distributed to a qualifying entity, exempt from federal taxation under Section 501(c)(3) of the Code as directed by the Corporate Member, taking into account the requirements of civil law.

Article IX

Effective Date of these Articles of Incorporation

These Articles of Incorporation are effective as of the 28th day of April, 2005.

Article X

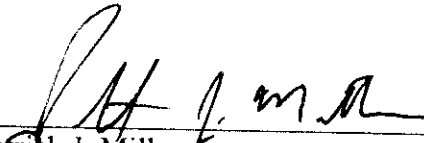
Bylaws

Except as otherwise provided in these Articles of Incorporation, provisions for the membership, terms of office, manner of election and removal, time and place of meetings and powers and duties of the Board shall be governed by the Bylaws of the Corporation.

The Bylaws of the Corporation may be adopted, amended or restated only by action of the Corporate Member.

IN WITNESS WHEREOF, the undersigned does hereby certify that the foregoing Articles of Incorporation were duly adopted effective as of the 28th day of April, 2005, by the Board in accordance with the Act.

Signed this 28th day of April, 2005.



Patrick J. Miller, Incorporator

601 W Bannock St
Boise ID 83702