

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SOUTHWESTERN BEHAVIORAL HEALTHCARE, INC.

Southwestern Behavioral Healthcare, Inc. ("Corporation"), hereby amends and restates in its entirety its Articles of Incorporation pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991, as amended ("Act").

ARTICLE I

Name

The name of the Corporation shall be Southwestern Behavioral Healthcare, Inc.

ARTICLE II

Type of Corporation

The Corporation is a non-profit, public benefit corporation.

ARTICLE III

Members

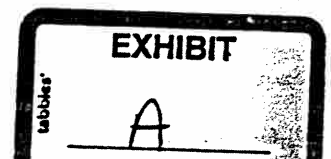
The Corporation shall not have members.

ARTICLE IV

Purposes, Powers and Prohibited Activities

Section 1. Purposes.

The Corporation is a public benefit corporation organized and operated exclusively for the following purposes as may qualify it for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or the corresponding provisions of



any future United States internal revenue law (hereinafter, the "Code") and the Treasury Regulations promulgated thereunder ("Regulations"), and as may qualify contributions to it for deduction under Section 170(c)(2), Section 2055(a)(2), Section 2522 and Section 2106(a)(2) of the Code and the Regulations promulgated thereunder, including without limitation, charitable, religious, public, or educational purposes which purposes then qualify the Corporation for exemption from Federal income tax under the provisions of Section 501 (c)(3) of the Code:

- (a) The primary purposes of the Corporation shall include:
 - (i) To provide community-based behavioral health care services to children, adults and families in the Southwestern Indiana counties of Vanderburgh, Warrick, Posey, and Gibson and other portions of Southwestern Indiana as the Board may determine;
 - (ii) To coordinate, manage and facilitate the delivery of the behavioral health care services to children, adults and families in need of such services, by contracting directly with one (1) or more applicable governmental agencies of the State of Indiana or subcontracting with other managed care providers to provide such behavioral health care services;
 - (iii) To serve the unique needs of children, adults and families in need of behavioral health care services by assisting them in obtaining and providing a high quality of health care;
 - (iv) To promote and encourage an informed understanding and utilization of behavioral health services;
 - (v) To empower committed volunteers and donors to share compassion and resources for the charitable and related benefits to be provided by the Corporation;
 - (vi) To provide assistance to other governmental and Section 501(c)(3) agencies in meeting the needs of the mentally ill;
 - (vii) To plan for new behavioral health services to meet the needs of the residents;
 - (viii) To promote research, education, training and recruitment in the field of behavioral health; and
 - (ix) To do any and all lawful acts that may be necessary, useful, suitable, or proper for the furtherance or accomplishment of the foregoing purposes of the Corporation.
- (b) In furtherance of the foregoing purposes, the Corporation shall be authorized and empowered to exercise all power and authority granted to it under the Act;

provided, however, that the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation.

Section 2. Powers.

Except as otherwise provided in these Articles of Incorporation, the Corporation shall have, hold, enjoy and exercise any and all rights, privileges and powers vested in or conferred upon a corporation organized under the Act.

Section 3. Prohibited Activities.

(a) No part of the Corporation's income, corpus or principal assets shall ever inure to the benefit of, or be distributable to, directly or indirectly, any private individual, and no Director or officer of the Corporation may or shall receive any pecuniary benefit from the same; provided, however, that private individuals may be paid such reasonable compensation for services actually rendered and that are necessary to organize the Corporation and to carry out the purposes of the Corporation, as may be fixed in the manner provided by the Board of Directors. No individual shall be precluded from taking such employment and reasonable compensation by reason of the fact that he or she is a Director or officer of the Corporation. The Corporation is expressly precluded from advancing or loaning its directors, officers, or any other disqualified person any money or property.

(b) The Corporation shall not in any manner or to any extent 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, nor shall a substantial part of its activities consist of carrying on propaganda or otherwise attempting to influence legislation or any political campaign on behalf of (or in opposition to) any candidate for public office.

(c) The Corporation shall not accept gifts or other contributions if the use or expenditure of the gift or contribution is subject to any condition which is inconsistent with the purposes of the Corporation as set forth in Section 1 of this Article IV.

(d) The Corporation shall not conduct or carry on any activities prohibited from being conducted or carried on by an organization exempt from Federal income tax under Section 501 (c)(3) of the Code, and the Regulations promulgated thereunder, or by a Corporation, contributions to which are deductible under Section 170(c)(2), and which also are described in Section 2055(a)(2), Section 2522 and Section 2106(a)(2) of the Code and the Regulations promulgated thereunder.

(e) The Corporation shall make no advancements for services to be performed in the future, nor shall the Corporation make any loan of money or property, to any Director or officer of the Corporation.

ARTICLE V

Registered Agent, Registered Office and Principal Office

Section 1. Registered Agent: Registered Office.

The name and street address of the Registered Agent and the Registered Office of the Corporation is Thomas J. Kimpel, Bamberger, Foreman, Oswald and Hahn, LLP, 20 N.W. 4th Street, 7th Floor, P. O. Box 657, Evansville, Indiana 47704.

Section 2. Principal Office.

The post office address of the principal office of the Corporation is Southwestern Behavioral Healthcare, Inc., 415 Mulberry Street, Evansville, Indiana 47713.

ARTICLE VI

Dissolution: Distribution of Assets on Dissolution or Final Liquidation

The Corporation may be dissolved by the affirmative vote of at least sixty-six percent (66%) of the actual number of Directors then in office. Upon the dissolution of the Corporation and after payment, or provision is made for the payment, of all liabilities and debts of the Corporation, the remaining assets of the Corporation shall be distributed to the Southwestern Healthcare, Inc. if recognized as tax exempt under Section 501(c)(3) of the Code. In the event Southwestern Healthcare, Inc. is then not recognized as tax exempt under Section 501(c)(3) of the Code, the Corporation shall make distribution to such legal entity or entities, designated by the affirmative vote of at least a majority of the actual number of Directors then in office, that are organized and operated exclusively for public, charitable, religious, scientific, testing for public safety, literary or educational purposes, which purposes then qualify them for exemption from Federal income tax under the provisions of Section 501 (c)(3) of the Code and as then qualify contributions to them for deduction under Section 170(c), Section 2055(a)(2), Section 2522 and Section 2106(a)(2) of the Code. Any such assets not so disposed of by the Board of Directors shall be disposed of by the Circuit Court of the County in which the principal office of the Corporation is located, exclusively for such purposes which are substantially similar to the Corporation's primary purposes set forth in Section 1 in Article IV, and to an organization or organizations which are, at the time of such distribution, organized and operated exclusively for public, charitable, religious, scientific, testing for public safety, literary or educational purposes, which purposes then qualify such organization or organizations for exemption from Federal income tax under the provisions of Section 501(c)(3) of the Code. No director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the assets of the Corporation upon the dissolution or complete liquidation of the Corporation.

ARTICLE VII

Board of Directors

Section 1. Authority of Board.

Management of the property, affairs, business and activities of the Corporation shall be supervised and directed by the Board of Directors. The Board of Directors shall possess and may exercise all the powers and authority granted to the Corporation by the Act, by these Articles of Incorporation or by the By-Laws of the Corporation, as now or hereafter in effect.

Section 2. Number. Appointment/ Election of Directors and Removal.

The Board of Directors shall be comprised of not less than eleven (11), but not more than twenty-five (25) Directors, and the exact number of Directors shall be prescribed from time to time in the By-Laws of the Corporation. In the absence of such a By-Law provision, the number of Directors shall be twenty-one (21). The Directors shall be appointed/elected as prescribed by the By-Laws of the Corporation. Any Director may be removed at any time for the reasons and in the manner set forth in the By-Laws.

ARTICLE VIII

Indemnification of Directors and Officers

Section 1. Definitions.

For purposes of this Article VIII, the following terms shall have the following meanings:

(a) "Proceeding" shall mean any claim, action, suit or proceeding (whether brought by or in the right of the Corporation or Other Enterprise or otherwise), civil, criminal, administrative or investigative, whether formal or informal, and whether actual or threatened or in connection with an appeal relating thereto, in which a Director or officer may become involved, as a party or otherwise, (i) by reason of his being or having been a Director or officer of the Corporation (and, if applicable, an employee or agent of the Corporation) or a Director, officer, partner, trustee, employee or agent of an Other Enterprise or arising out of his status as such, or (ii) by reason of any past or future action taken or not taken by a Director or officer in any such capacity, whether or not he continues to be such at the time he incurs Liabilities and Expenses under the Proceeding.

(b) "Other Enterprise" shall mean any corporation, partnership, limited liability company, limited liability partnership, joint venture, trust, employee benefit plan or other enterprise, whether for profit or not, for which a Director or officer is or was serving, at the request of the

Corporation, as a director, officer, partner, manager, trustee, employee or agent.

(c) "Liabilities" and "Expenses" shall mean monetary obligations incurred by or on behalf of a Director or officer in connection with the investigation, defense or appeal of a Proceeding or in satisfying a claim thereunder and shall include, but shall not be limited to, attorneys' fees and disbursements, amounts of judgments, fines or penalties, excise taxes assessed with respect to an employee benefit plan and amounts paid in settlement by or on behalf of a Director or officer.

(d) "Standard of Conduct" shall mean that a Director or officer, based on facts then known to the Director or officer, discharged the duties as a Director or officer, including duties as a member of a committee, in good faith in what he reasonably believed to be in or not opposed to the best interests of the Corporation or Other Enterprise, as the case may be, and, in addition, in any criminal Proceeding had no reasonable cause to believe that his conduct was unlawful. Standard of Conduct shall exclude any claim based upon, arising from or in consequence of any actual or alleged physical or sexual abuse, assault or battery. The termination of any Proceeding, by judgment, order, settlement (whether with or without court approval) or conviction or upon a plea of guilty, shall not create a presumption that the Director or officer did not meet the Standard of Conduct. The termination of any Proceeding by a consent decree or upon a plea of nolo contendere, or its equivalent, shall create the presumption that the Director or officer met the Standard of Conduct.

Section 2. Indemnification.

If a Director or officer is made a party to or threatened to be made a party to any Proceeding, the Corporation shall indemnify the Director or officer against Liabilities and Expenses incurred by him in connection with such Proceeding in the following circumstances:

(a) If a Director or officer has been wholly successful on the merits or otherwise with respect to any such Proceeding, he shall be entitled to indemnification for Liabilities and Expenses as a matter of right. If a Proceeding is terminated against the Director or officer by consent decree or upon a plea of nolo contendere, or its equivalent, the Director or officer shall not be deemed to have been "wholly successful" with respect to such Proceeding;

(b) In all other situations, a Director or officer shall be entitled to indemnification for Liabilities and Expenses as a matter of right unless (i) the Director or officer has breached or failed to perform his duties as a Director or officer in compliance with the Standard of Conduct and (ii) with respect to any action or failure to act by the Director or officer which is at issue in such Proceeding, such action or failure to act constituted willful misconduct or recklessness. To be entitled to indemnification pursuant to this Section 2(b), the Director or officer must notify the Corporation of the commencement of the Proceeding in accordance with Section 5 of this Article IX and request indemnification. A review of the request for indemnification and the facts and circumstances underlying the Proceeding shall be made in accordance with one of the

procedures described below; and the Director or officer shall be entitled to indemnification as a matter of right unless, in accordance with such procedure, it is determined beyond a reasonable doubt that (i) the Director or officer breached or failed to perform the duties of the office in compliance with the Standard of Conduct, and (ii) the breach or failure to perform constituted willful misconduct or recklessness. Any one of the following procedures may be used to make the review and determination of a Director's or officer's request for indemnification under this Section 2(b):

(i) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to, or who have been wholly successful with respect to, such Proceeding;

(ii) if a quorum cannot be obtained under (a) above, by a majority vote of a committee duly designated by the Board of Directors (in the designation of which, Directors who are parties to such Proceeding may participate), consisting solely of two or more Directors who are not parties to, or who have been wholly successful with respect to, such Proceeding;

(iii) by independent legal counsel selected by a majority vote of the full Board of Directors (in which selection, Directors who are parties to such Proceeding may participate); or

(iv) by a committee consisting of three (3) or more disinterested persons selected by a majority vote of the full Board of Directors (in which selection, Directors who are parties to such Proceeding may participate).

Any determination made in accordance with the above procedures shall be binding on the Corporation and the Director or officer;

(c) If several claims, issues or matters of action are involved, a Director or officer may be entitled to indemnification as to some matters even though he is not entitled to indemnification as to other matters;

(d) The indemnification herein provided shall be applicable to Proceedings made or commenced after the adoption of this Article VIII, whether arising from acts or omissions to act which occurred before or after the adoption of this Article VIII.

Section 3. Prepaid Liabilities and Expenses.

The Liabilities and Expenses which are incurred or are payable by a Director or officer in connection with any Proceeding shall be paid by the Corporation when due, with the understanding and agreement between such Director or officer and the Corporation that, in the event it shall ultimately be determined as provided herein that the Director or officer was not entitled to be indemnified, or was not entitled to be fully indemnified, the Director or officer shall repay to the Corporation such amount, or the appropriate portion thereof, so paid or

advanced.

Section 4. Exceptions to Indemnification.

Notwithstanding any other provisions of this Article VIII to the contrary, the Corporation shall not indemnify a Director or officer:

(a) For any Liabilities or Expenses for which payment is actually made to or on behalf of a Director or officer under a valid and collectible insurance policy, except in respect of any excess beyond the amount of payment under such insurance policy; or

(b) For any Liabilities or Expenses incurred in a Proceeding against the Director or officer arising out of or based upon actions attributable to the Director or officer in which the Director or officer gained any personal profit or advantage to which he was not legally entitled.

Section 5. Notification and Defense of Proceeding.

Promptly after receipt by a Director or officer of notice of claim or the commencement of any Proceeding, the Director or officer will, if a request for indemnification in respect thereof is to be made against the Corporation under this Article VIII, notify the Corporation of the commencement thereof, but the failure to so notify the Corporation will not relieve it from any obligation which it may have to the Director or officer under this Article VIII or otherwise. With respect to any such Proceeding as to which the Director or officer notifies the Corporation of the commencement thereof:

(a) The Corporation will be entitled to participate therein at its own expense; and

(b) Except as otherwise provided below, to the extent that it may so desire, the Corporation, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel reasonably satisfactory to the Director or officer. After notice from the Corporation to the Director or officer of its election to assume the defense of the Director or officer in the Proceeding, the Corporation will not be liable to the Director or officer under this Article VIII for any legal or other Expenses subsequently incurred by the Director or officer in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. The Director or officer shall have the right to employ counsel in such Proceeding, but the Expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Director or officer unless:

(i) the employment of counsel by the Director or officer has been authorized by the Corporation; or

(ii) the Director or officer and the Corporation shall have reasonably concluded a conflict of interest exist between the Director or officer and the Corporation in the conduct of the defense of such Proceeding; or

(iii) the Corporation shall not in fact have employed counsel to assume the defense of such Proceeding;

in each of which cases the Expenses of counsel employed by the Director or officer shall be paid by the Corporation.

(c) The Corporation shall not be liable to indemnify a Director or officer under this Article VIII for any amounts paid in settlement of any Proceeding without the Corporation's prior written consent. The Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on a Director or officer without the Director's or officer's prior written consent. Neither the Corporation nor a Director or officer will unreasonably withhold its or his consent to any proposed settlement.

(d) Notwithstanding any other provision in this Article VIII, the Corporation retains and does not waive, the right to defend itself in any Proceeding.

Section 6. Other Rights and Remedies.

The rights of indemnification provided under this Article VIII are not exhaustive and shall be in addition to any rights to which a Director or officer may otherwise be entitled by contract or as a matter of law. Irrespective of the provisions of this Article VIII, the Corporation may, at any time and from time to time, indemnify Directors, officers, employees and other persons to the full extent permitted by the provisions of the Act, or any successor law, as then in effect, whether with regard to past or future matters.

Section 7. Continuation of Indemnity.

All obligations of the Corporation under this Article VIII shall survive the termination of a Director's or officer's service in any capacity covered by this Article VIII.

Section 8. Insurance.

The Corporation may purchase and maintain insurance on behalf of any Director, officer, employee or other person or any person who is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee or agent of an Other Enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of applicable law, this Article VIII or otherwise.

Section 9. Benefit.

The provisions of this Article VIII shall inure to the benefit of each Director or officer and his respective heirs, personal representatives and assigns and the Corporation and its successors and assigns.

Section 10. Severability.

In case any one or more of the provisions contained in this Article VIII shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Article VIII, but this Article VIII shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

ARTICLE IX

Provisions for Regulation and Conduct of the Affairs of Corporation

In addition to the By-Laws and consistent with the Act, the following provisions for the regulation and conduct of the affairs of the Corporation, and for the creation, definition, limitation or regulation of the powers of the Corporation and its Directors, shall apply:

Section 1. Amendment of Articles of Incorporation.

The Corporation reserves the right to amend, alter, change or repeal any provisions contained in these Articles of Incorporation or in any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or any amendment thereto; provided, however, that such power of amendment requires the affirmative vote of at least sixty-six percent (66%) of the actual number of Directors in office from time to time, and shall not authorize any amendment which would have the effect of disqualifying the Corporation as a tax-exempt organization under Section 501 (c)(3) of the Code or would have the effect of disqualifying contributions to the Corporation for deduction under Section 170(c)(2), Section 2055(a)(2), Section 2522 or Section 2106(a)(2) of the Code.

Section 2. Intention that Corporation Qualify for Exemption From Federal Income, Gift and Estate Taxes.

The Corporation intends that it shall qualify as a tax-exempt organization under Section 501(c)(3) of the Code and that contributions to the Corporation shall qualify for deduction from Federal income, estate and gift taxes under Section 170(c)(2), Section 2055(a)(2) and Section 2522(a) of the Code, respectively, and all questions applicable to the Corporation shall be resolved accordingly, notwithstanding any provision in these Articles of Incorporation that might be construed as compromising this objective. The powers and discretions of the Board of Directors or the Officers with respect to administration of the Corporation shall not be exercised

or exercisable except in a manner consistent with the Corporation's intent as expressed in this Section 2. To the extent that any other provision of these Articles of Incorporation conflicts with the Corporation's primary intent as expressed in this Section 2, which gives rise to ambiguity, the ambiguity shall be resolved as directed in this Section 2. Should there be an ambiguity as to whether any provision necessary for qualification of the Corporation as a tax exempt organization or for qualification of contributions to the Corporation for deductions from Federal income, estate and gift tax is included in these Articles of Incorporation, the ambiguity shall be resolved as directed in this Section 2.

IN WITNESS WHEREOF, the Amended and Restated Articles of Incorporation of Southwestern Behavioral Healthcare, Inc. have been duly executed to be effective as of the 16th day of September, 2008.

Date: September 9, 2008


Chairperson, Beverly Corn VanHaften

This instrument was prepared by:
Thomas J. Kimpel
Bamberger, Foreman, Oswald and Hahn, LLP
20 NW 4th Street, 7th Floor, P.O. Box 657
Evansville, IN 47704
(812) 425-1591 phone (812) 421-4936 fax

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