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\$50.00



Phone: (503) 986-2200
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Articles of Merger

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327
FilinginOregon.com

Check the appropriate box below:

- MULTI ENTITY MERGER
(Complete only 1, 2, 3, 4, 10, 11)
- FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5, 6, 7, 8, 9, 10, 11)

FILED

DEC 17 2009

OREGON
SECRETARY OF STATE

SURVIVOR
REGISTRY NUMBER: 121885-95

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record. We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) NAMES AND TYPES OF THE ENTITIES PROPOSING TO MERGE

NAME	TYPE	REGISTRY NUMBER
PacificSource Administrators, Inc. dba Manley Services	corporation	121885-95
PacificSource Self-Insurance Administrators, Inc. dba Select Benefit Administrators, Inc.	corporation	186343-94

2) NAME AND TYPE OF THE SURVIVING ENTITY PacificSource Administrators, Inc.

Check here if there is a name change in this plan of merger.

3) A COPY OF THE MERGER PLAN IS ATTACHED. See ORS 60.481(2)

4) THE PLAN OF MERGER WAS DULY AUTHORIZED AND APPROVED BY EACH ENTITY THAT IS A PARTY TO THE MERGER.

A copy of the vote required by each entity is attached.

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

5) NAME OF PARENT CORPORATION _____

Oregon Registry Number _____

6) NAME OF SUBSIDIARY CORPORATION _____

Oregon Registry Number _____

7) NAME OF SURVIVING CORPORATION _____

8) COPY OF PLAN

A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached.

9) CHECK THE APPROPRIATE BOX

A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____ Date

The mailing of a copy of the plan or summary was waived by all outstanding shares.

10) EXECUTION

Signature

Printed Name

Kenneth P. Provencher

Title

President & CEO

11) CONTACT NAME (To resolve questions with: this filing.)

Kristin Kernutt

DAYTIME PHONE NUMBER (include area code.)

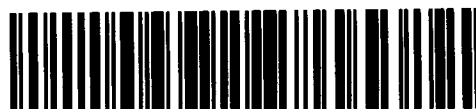
(541) 225-1967

FEES

Required Processing Fee \$50 - Confirmation Copy (Optional) \$5
Processing Fees are nonrefundable.
Please make check payable to "Corporation Division."

NOTE:
Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

PACIFICSOURCE ADMINISTRATORS, I



12188595-11499378

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "Agreement"), dated as of December 15, 2009, is between PacificSource Administrators, Inc. dba Manley Services ("Manley Services"), an Oregon corporation, and PacificSource Self-Insurance Administrators, Inc. dba Select Benefit Administrators, Inc. ("SBA"), an Oregon corporation; the corporations are referred to jointly as the "Constituent Corporations."

RECITALS

- A. The Constituent Corporations desire to effect a merger on the terms set forth in this Agreement, pursuant to the provisions of the Oregon Business Corporation Act.
- B. The Constituent Corporations intend the merger to be a reorganization within the meaning of IRC §368(a)(1)(A).

AGREEMENT

The Constituent Corporations mutually agree as follows:

SECTION 1. MERGER OF CONSTITUENT CORPORATIONS

1.1 Merger. At the Effective Date, SBA will be merged with and into Manley Services, the separate existence of SBA will cease, and Manley Services will survive as a corporation under the name PacificSource Administrators, Inc. (the "Surviving Corporation"), organized under and governed by the laws of the state of Oregon. From that time, the Surviving Corporation, to the extent consistent with its articles of incorporation as altered by the merger, will possess all the rights, privileges, immunities, and franchises of each of the Constituent Corporations, all property belonging to SBA will be transferred to and vested in the Surviving Corporation without further act or deed, and the Surviving Corporation will be responsible for all liabilities of each of the Constituent Corporations, all in the manner and with the effect set forth in ORS 60.497.

1.2 Further Assurances. From time to time after the Effective Date, the officers and directors of SBA who were last in office will execute and deliver such deeds and other instruments and will cause to be taken such further actions as will reasonably be necessary in order to vest or perfect in the Surviving Corporation title to and possession of all the property, interests, assets, rights, privileges, immunities, and franchises of SBA.

1.3 Effective Date. The merger of SBA and Manley Services will become effective on the later of the filing of articles of merger pursuant to ORS 60.494 or December 31, 2009 (the "Effective Date").

1.4 Closing. Subject to the satisfaction of the conditions set forth in Section 4 of this Agreement, the closing of the contemplated transactions will occur at the principal offices of PacificSource Health Plans in Lane County, Oregon, on December 16, 2009, or at another time and place as the Constituent Corporations may mutually agree on. At that time, the parties will cause articles of merger to be filed.

SECTION 2. ARTICLES OF INCORPORATION, BYLAWS, DIRECTORS, AND OFFICERS

2.1 Articles of Incorporation. Article III of the Articles of Incorporation of Manley Services as in effect immediately before the Effective Date will be amended to read in full as follows:

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"The aggregate number of shares which the Corporation shall have authority to issue is 3,000 shares of common stock with no par value."

The Articles of Incorporation of Manley Services as so amended will be the Articles of Incorporation of the Surviving Corporation until amended in accordance with applicable law.

2.2 Bylaws. The bylaws of Manley Services as in effect immediately before the Effective Date will be the bylaws of the Surviving Corporation until amended or repealed.

2.3 Directors and Officers. The board of directors of the Surviving Corporation will consist of persons who are directors of Manley Services immediately before the Effective Date, and they will hold office in each case until their successors are elected and qualify. The officers of the Surviving Corporation will be persons who are the officers of Manley Services immediately before the Effective Date, and they will hold office in each case at the pleasure of the board of directors of the Surviving Corporation.

SECTION 3. MANNER AND BASIS OF CONVERTING SHARES

3.1 Conversion of Shares. At the Effective Date:

3.1.1 Each share of common stock of SBA that is issued and outstanding immediately before the Effective Date (excluding shares held by shareholders who have properly exercised their dissenters' rights under the Oregon Business Corporation Act – "Dissenting Shares") will be converted into one share of fully paid and nonassessable common stock of the Surviving Corporation.

3.1.2 Each share of common stock of Manley Services that is issued and outstanding immediately before the Effective Date will continue to be an issued and outstanding share of common stock of the Surviving Corporation.

3.2 Adjustment of Conversion Ratio. If, between the date of this Agreement and the Effective Date, SBA or Manley Services reclassifies, combines, or subdivides its common stock, or declares or pays any dividend or distribution in shares of its common stock, or has agreed to do any of the foregoing as of a record date before the Effective Date, then an appropriate adjustment will be made in the number of shares of common stock of the Surviving Corporation into which shares of common stock of SBA would otherwise be converted by the merger.

3.3 Certificates for Shares. Each certificate that, before the Effective Date, represented shares of common stock of Manley Services, from and after the Effective Date, will represent shares of common stock of the Surviving Corporation. Except as provided in Section 3.4 with respect to Dissenting Shares, each certificate that, before the Effective Date, represented shares of common stock of SBA, from and after the Effective Date, will represent the number of shares of common stock of Manley Services into which such shares are converted. Each holder of shares of common stock of SBA that are converted in the merger into shares of common stock of the Surviving Corporation, on surrender of the certificate therefore to the Surviving Corporation, will be entitled to receive a certificate evidencing the ownership of shares of the Surviving Corporation into which such shares of common stock of SBA are converted at the Effective Date.

3.4 Dissenting Shares. Each Dissenting Share will be treated in accordance with the provisions of ORS 60.551–60.594 relating to dissenters' rights.

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SECTION 4. CONDITIONS

4.1 Conditions to Obligation of SBA. The obligation of SBA to effect the merger is subject to the satisfaction or waiver of each of the following conditions:

4.1.1 This Agreement will have been duly approved by the board of directors of Manley Services in accordance with the Oregon Business Corporation Act.

4.1.2 This Agreement will have been approved by the holders of a majority of the outstanding shares of common stock of SBA entitled to vote on the matter and by the holders of a majority of the outstanding shares of common stock of Manley Services entitled to vote on the matter in accordance with the Oregon Business Corporation Act.

4.2 Conditions to Obligation of Manley Services. The obligation of Manley Services to effect the merger is subject to the satisfaction or waiver of each of the following conditions:

4.2.1 This Agreement will have been duly approved by the board of directors of SBA in accordance with the Oregon Business Corporation Act.

4.2.2 This Agreement will have been approved by the holders of a majority of the outstanding shares of common stock of SBA entitled to vote on the matter and by the holders of a majority of the outstanding shares of common stock of Manley Services entitled to vote on the matter in accordance with the Oregon Business Corporation Act.

4.2.3 No written notices of intention to demand payment of the fair value of the shares in accordance with provisions of ORS 60.564 will have been received prior to the taking of the vote of shareholders of the respective Constituent Corporations.

SECTION 5. TERMINATION

5.1 Failure of Shareholder Approval. This Agreement will automatically terminate in the event that it is brought to a vote and not adopted by the holders of a majority of the outstanding shares of common stock of either SBA or Manley Services, respectively, entitled to vote thereon at a meeting called for such purpose in accordance with the Oregon Business Corporation Act.

5.2 Other Termination. This Agreement may be terminated and the merger abandoned at any time before the Effective Date, whether before or after submission to or approval by the shareholders of either of the Constituent Corporations:

5.2.1 By mutual agreement of the boards of directors of SBA and Manley Services;

5.2.2 By the board of directors of SBA if any condition provided in Section 4.1 of this Agreement has not been satisfied or waived on or before the Effective Date;

5.2.3 By the board of directors of Manley Services if any condition provided in Section 4.2 of this Agreement has not been satisfied or waived on or before the Effective Date;

5.2.4 By the board of directors of either SBA or Manley Services (but only if the terminating party is not then in material breach of any agreement contained in this Agreement) if there has been a material breach of any of the agreements set forth in this Agreement on the

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part of the other party, which breach is not cured within 10 days after written notice to the party committing the breach, or which breach, by its nature, cannot be cured before the closing; or

5.2.5 By the board of directors of either SBA or Manley Services if the closing of the Merger has not occurred on or before December 31, 2009, unless the failure of the closing to occur by that date is due to the breach by the party seeking to terminate this Agreement of any agreement of that party set forth in this Agreement.

5.3 Effect of Termination. If this Agreement is terminated as provided in Section 5, this Agreement will become wholly void and of no effect, each party will bear its own expenses, and, except for the liability of a party whose material breach of any of the agreements set forth in this Agreement has occasioned the termination of this Agreement by the non-defaulting party, there will be no liability or obligation on the part of either party.

SECTION 6. MISCELLANEOUS PROVISIONS

6.1 Waivers. Each party, by written instrument, may extend the time for performing any of the obligations or other acts of the other party, waive performance of any of the obligations of the other party set forth in this Agreement, or waive any condition to its obligation to effect the merger other than the conditions contained in Sections 4.1.1, 4.1.2, 4.2.1, and 4.2.2 of this Agreement.

6.2 Survival. None of the agreements in this Agreement, including any rights arising out of any breach of such agreements, will survive the Effective Date, except for those agreements that by their express terms apply in whole or in part after the Effective Date.


6.3 Amendment. This Agreement may be amended at any time before the Effective Date, whether before or after the meetings of the shareholders of the respective Constituent Corporations, with approval of the respective boards of directors of the Constituent Corporations, as long as the amendment will not change the conversion ratios set forth in Section 3.1 of this Agreement without the approval of the shareholders of the Constituent Corporations.

6.4 Expenses. Each party will pay the expenses incurred by it in connection with the transactions contemplated hereby.

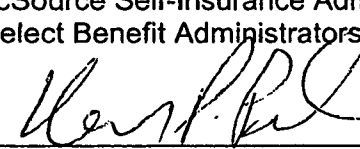
6.5 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the state of Oregon, without regard to conflict-of-laws principles.

The parties enter into this agreement as of the date first written above.

PacificSource Administrators, Inc.
dba Manley Services

By: 
Kenneth P. Provencher
President/CEO

PacificSource Self-Insurance Administrators, Inc.
dba Select Benefit Administrators, Inc.

By: 
Kenneth P. Provencher
President/CEO

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PACIFICSOURCE ADMINISTRATORS, INC.
dba MANLEY SERVICES

CORPORATE RESOLUTION
#12152009-M (Merger of SBA)

RESOLVED, by the Board of Directors of PacificSource Administrators, Inc. dba Manley Services ("PacificSource") that the Agreement and Plan of Merger whereby PacificSource Self-Insurance Administrators, Inc. dba Select Benefit Administrators, Inc. will merge into PacificSource, attached hereto as Exhibit 1 ("Plan SBA"), is approved.

RESOLVED, that the Board of Directors further recommends that the shareholder of PacificSource approve Plan SBA.

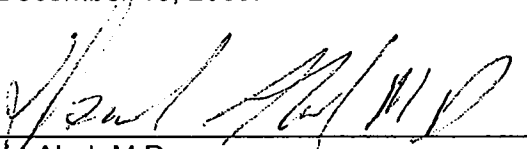
RESOLVED, by the Board of Directors that the Agreement and Plan of Merger whereby Riverside Benefit Administrators, Inc. will merge into PacificSource, attached hereto as Exhibit 2 ("Plan RBA"), is approved.

RESOLVED, that the Board of Directors further recommends that the shareholder of PacificSource approve Plan RBA.

RESOLVED, that the Board of Directors approves the elimination of the assumed business name of PacificSource – "Manley Services."

RESOLVED, that the Chief Executive Officer is hereby authorized to execute and deliver in PacificSource's name and on its behalf all documents necessary to effectuate the merger of SBA and RBA into PacificSource, in each case in the form approved by the Chief Executive Officer, and to take such further actions as the Chief Executive Officer determines to be necessary or desirable to effect the intent of the foregoing resolutions.

The foregoing Resolutions were passed at a special meeting of the Board of Directors on December 15, 2009.



David Abel, M.D.
Secretary

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PACIFICSOURCE SELF-INSURANCE ADMINISTRATORS, INC.
dba SELECT BENEFIT ADMINISTRATORS, INC.

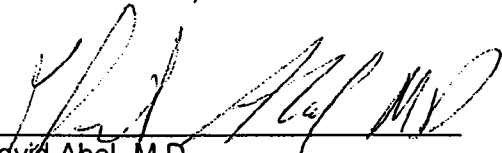
CORPORATE RESOLUTION
#10132009-S (Merge with Manley Services)

RESOLVED, by the Board of Directors of PacificSource Self-Insurance Administrators, Inc. dba Select Benefit Administrators, Inc. ("SBA") that the Agreement and Plan of Merger whereby SBA will merge into PacificSource Administrators, Inc. dba Manley Services ("PacificSource"), attached hereto as Exhibit 1 ("Plan SBA"), is approved.

RESOLVED, that the Board of Directors further recommends that the shareholder of SBA approve Plan SBA.

RESOLVED, that the Chief Executive Officer is hereby authorized to execute and deliver in SBA's name and on its behalf all documents necessary to effectuate the merger of SBA into PacificSource, in each case in the form approved by the Chief Executive Officer, and to take such further actions as the Chief Executive Officer determines to be necessary or desirable to effect the intent of the foregoing resolution.

The foregoing Resolutions were passed at a special meeting of the Board of Directors on December 15, 2009.



David Abel, M.D.
Secretary

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<p>Memorandum of Action of Shareholders</p> <p>of</p> <p>PacificSource Administrators, Inc.</p> <p>dba Manley Services</p>
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In accordance with the provisions of ORS 60.211, the following resolutions were adopted pursuant to the unanimous consent of the shareholder of PacificSource Administrators, Inc. dba Manley Services ("Manley Services"), in lieu of a special meeting of the shareholder.

RESOLVED by the shareholder that the Agreement and Plan of Merger whereby PacificSource Self-Insurance Administrators, Inc. dba Select Benefit Administrators, Inc. will merge into Manley Services, attached hereto as Exhibit 1, is approved.

RESOLVED by the shareholder that the Agreement and Plan of Merger whereby Riverside Benefit Administrators, Inc. will merge into Manley Services, attached hereto as Exhibit 2, is approved.

RESOLVED by the shareholder that Manley Services will cease using its assumed business name and, henceforth, use its legal name – PacificSource Administrators, Inc.

Dated Effective: December 15, 2009

PacificSource Health Plans

By: 
 Kenneth P. Provencher, CEO and President

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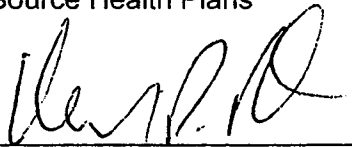
<p>Memorandum of Action of Shareholders</p> <p>of</p> <p>PacificSource Self-Insurance Administrators, Inc. dba Select Benefit Administrators, Inc.</p>
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In accordance with the provisions of ORS 60.211, the following resolutions were adopted pursuant to the unanimous consent of the shareholder of PacificSource Self-Insurance Administrators, Inc. dba Select Benefit Administrators, Inc. ("SBA"), in lieu of a special meeting of the shareholder.

RESOLVED by the shareholder that the Agreement and Plan of Merger whereby SBA will merge into PacificSource Administrators, Inc., attached hereto as Exhibit 1, is approved.

Dated Effective: December 15, 2009

PacificSource Health Plans

By: 

Kenneth P. Provencher, CEO and President