

1228429-90

PUBLIC

FILED

ARTICLES OF MERGER

DEC 30 2016

OREGON SECRETARY OF STATE

ARTICLE 1 MERGING CORPORATIONS

The merging corporations are Conners Group, an Oregon non-profit corporation formed under the Oregon Nonprofit Corporation Act (Registry Number 1228429-90), and PacificSource Community Solutions, Inc., an Oregon corporation formed under the Oregon Business Corporation Act (Registry Number 18280-95), which is the wholly-owned subsidiary of Conners Group.

ARTICLE 2 SURVIVING CORPORATION

The surviving corporation is PacificSource Community Solutions, an Oregon non-profit corporation (Registry Number 1228429-90), which is a name change.

ARTICLE 3 PLAN OF MERGER

The plan of merger is attached as Exhibit A.

ARTICLE 4 APPROVAL

4.1 Surviving Corporation. The plan of merger was duly authorized and approved by the board of directors and sole member of Conners Group. The approval by the sole member of Conners Group was as follows:

Designation of Voting Group	Number of Members	Number of Votes Entitled to be Cast	Total Number of Votes Cast For	Total Number of Votes Cast Against
Member	1	1	1	0

4.2 Nonsurviving Corporation. The plan of merger was duly authorized and approved by the board of directors and sole shareholder of PacificSource Community Solutions, Inc. The approval by the sole shareholder of PacificSource Community Solutions, Inc. was as follows:

Designation of Voting Group	Number of Outstanding Shares	Number of Votes Entitled to be Cast	Total Number of Votes Cast For	Total Number of Votes Cast Against
Common	1,000	1,000	1,000	0

ARTICLE 5 EFFECTIVE DATE

These articles of merger will become effective on the later of (i) the date the articles of merger are filed by the Oregon Secretary of State, or (ii) December 31, 2016.

Dated: December 30, 2016

PacificSource Community Solutions an Oregon non-profit corporation

By: Kristin E. Kernutt, Secretary

Person to contact about this filing: Kristin E. Kernutt Daytime phone number: 541-225-1967 HCMO - 00002107

ARTICLES OF MERGER

PACIFICSOURCE COMMUNITY SOLUTIONS



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**AGREEMENT AND PLAN OF MERGER**

This Agreement and Plan of Merger (this "Agreement"), dated as of December 31, 2016, is between Conners Group ("Conners"), an Oregon non-profit corporation, and PacificSource Community Solutions, Inc. ("PCS"), 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 and Oregon Nonprofit 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, PCS will be merged with and into Conners, the separate existence of PCS will cease, and Conners will survive as a non-profit corporation under the name PacificSource Community Solutions (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 PCS 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 and ORS 65.494.

**1.2 Further Assurances.** From time to time after the Effective Date, the officers and directors of PCS 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 PCS.

**1.3 Effective Date.** The merger of PCS and Conners will become effective on the later: (i) of the filing of articles of merger pursuant to ORS 60.494 and ORS 65.491, or (iii) December 31, 2016 (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 31, 2016, 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.** The Articles of Incorporation of Conners as in effect immediately before the Effective Date will be the Articles of Incorporation of the Surviving Corporation until amended in accordance with applicable law, except that the name of the entity will be PacificSource Community Solutions.

**2.2 Bylaws.** The bylaws of Conners 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 Conners 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 Conners 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. OUTSTANDING PCS STOCK**

**3.1 Retirement of Stock.** At the Effective Date, the outstanding shares of PCHP shall be cancelled without consideration.

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

## **SECTION 4. CONDITIONS**

**4.1 Conditions to Obligation of PCS.** The obligation of PCS 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 Conners in accordance with the Oregon Nonprofit 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 PCS entitled to vote on the matter in accordance with the Oregon Business Corporation Act.

**4.1.3** All necessary state and federal approvals and licenses have been received or transferred, including limitation approval from the Oregon Health Authority.

**4.2 Conditions to Obligation of Conners.** The obligation of Conners 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 PCS 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 PCS 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 PCS.

**4.2.4** All necessary state and federal approvals and licenses have been received or transferred, including limitation approval from the Oregon Health Authority.

## **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 PCS 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 PCS and Conners;

**5.2.2** By the board of directors of PCS 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 Conners 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 PCS or Conners (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 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 PCS or Conners if the closing of the Merger has not occurred on or before December 31, 2016, 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.

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**6.3 Amendment.** This Agreement may be amended at any time before the Effective Date, whether before or after the meeting of the shareholders of PCS, with approval of the respective boards of directors of the Constituent Corporations.


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

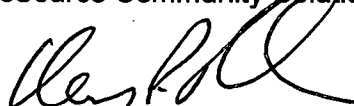
**6.5 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the state of Oregon, without regard to conflict-of-laws principles.

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

Conners Group

PacificSource Community Solutions, Inc.

By:   
Kenneth P. Provencher  
President/CEO

By:   
Kenneth P. Provencher  
President/CEO