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ARTICLES OF MERGER
OF
PREMIER ALLIANCE PROPERTY & CASUALTY, INC., AN IDAHO CORPORATION
AND
STATE OF IDAHO
OLSON & LUSTER INSURANCE, LLC, AN IDAHO LIMITED LIABILITY COMPANY,
INTO
PREMIER ALLIANCE PROPERTY & CASUALTY, INC.,
AN IDAHO CORPORATION

IN ACCORDANCE WITH IDAHO CODE § 30-1-1101, ET SEQ.

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The undersigned, J. RAY OLSON, and LANE A. FULLMER being the President and Secretary, respectively, of PREMIER ALLIANCE PROPERTY & CASUALTY, INC., an Idaho Corporation, and J. RAY OLSON, being the managing member, of OLSON & LUSTER INSURANCE, LLC, an Idaho limited liability company that has elected to be classified as an association taxable as a corporation, do hereby certify as follows:

1. The plan of merger providing for the merger of PREMIER ALLIANCE PROPERTY & CASUALTY, INC., and OLSON & LUSTER INSURANCE, LLC. into PREMIER ALLIANCE PROPERTY & CASUALTY, INC. is set forth in the Agreement and Plan of Merger attached hereto as Exhibit A and incorporated herein by this reference.

2. As to each corporation, the plan of merger was adopted by a consent in writing of the holders of outstanding shares having not less than the minimum number of votes necessary to adopt such plan, as provided by the articles of incorporation of the respective corporations, and in accordance with the Idaho Business Corporation Act.

3. As to each corporation, the number of shares outstanding on the day hereof is as follows:

| NAME OF CORPORATION | NO. OF SHARES | CLASS |
|--|---------------|--------------------|
| PREMIER ALLIANCE PROPERTY & CASUALTY, INC. | 27,000 | Common Stock |
| | | |
| | MEMBERS | OWNERSHIP INTEREST |
| OLSON & LUSTER INSURANCE, LLC | 1 | 100% |

IDAHO SECRETARY OF STATE

04/06/2001 09:00
CR: 3779 CT: 134246 DH: 389583

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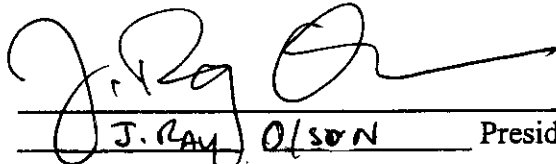
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4. As to each corporation, the number of shares voted for and against such Plan of Merger is as follows:

| NAME OF CORPORATION: | VOTED FOR: | VOTED AGAINST: |
|--|------------|----------------|
| PREMIER ALLIANCE PROPERTY & CASUALTY, INC. | 27,000 | 0 |
| OLSON & LUSTER INSURANCE, LLC | 100% | 0 |

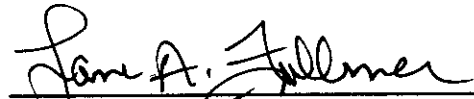
IN WITNESS WHEREOF, the parties hereto have caused these Articles of Merger to be duly executed effective as of the 28th day of March, 2001.

PREMIER ALLIANCE PROPERTY & CASUALTY, INC.,
An Idaho Corporation




J. RAY OLSON President

ATTEST:



LANE A. FULLMER, Secretary

OLSON & LUSTER INSURANCE, LLC.,
An Idaho Limited Liability Company



J. RAY OLSON, Member

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER
OF
PREMIER ALLIANCE PROPERTY & CASUALTY, INC., AN IDAHO CORPORATION, AND
OLSON & LUSTER INSURANCE, LLC, AN IDAHO LIMITED LIABILITY COMPANY,



THIS AGREEMENT AND PLAN OF MERGER is made and entered into effective the 26th day of March, 2001, by and among PREMIER ALLIANCE PROPERTY & CASUALTY, INC., an Idaho corporation, and OLSON & LUSTER INSURANCE, LLC, an Idaho limited liability company (collectively, the "Constituent Corporations").

WITNESSETH:

WHEREAS, OLSON & LUSTER INSURANCE, LLC is a single member limited liability company that has elected to be classified as an association taxable as a corporation;

WHEREAS, each of the Constituent Corporations has, subject to approval by their respective shareholders or members, adopted the plan of merger set forth in this Agreement, and the Constituent Corporations and their respective boards of directors or manager deem it advisable and in the best interest of each of the Constituent Corporations that OLSON & LUSTER INSURANCE, LLC be merged with and into PREMIER ALLIANCE PROPERTY & CASUALTY, INC. pursuant to the applicable corporation laws of the State of Idaho and Section 368 of the Internal Revenue Code of 1986 (the "Merger");

NOW, THEREFORE, the Constituent Corporations do hereby agree to merge on the terms and conditions herein provided as follows:

1. MERGER.

(a) **GOVERNING LAW.** OLSON & LUSTER INSURANCE, LLC will be merged into PREMIER ALLIANCE PROPERTY & CASUALTY, INC. in accordance with the applicable laws of the State of Idaho. PREMIER ALLIANCE PROPERTY & CASUALTY, INC. shall be the surviving corporation (the "Surviving Corporation") and shall be governed by the laws of the State of Idaho.

(b) **EFFECTIVE DATE.** The "Effective Date" of the Merger shall be, and such term as used herein shall mean, 5:00 p.m., M.S.T., of the day on which Articles of Merger are filed in the office of the Secretary of State of the State of Idaho.

2. SHARE CONVERSION.

(a) **STOCK OF THE CONSTITUENT CORPORATIONS.** The stock of PREMIER ALLIANCE PROPERTY & CASUALTY, INC. is currently held ninety-three percent (93%) by PREMIER ALLIANCE, LLC and seven percent (7%) by CLARK DOWDLE. The membership interest

of OLSON & LUSTER INSURANCE, LLC is currently held one hundred percent (100%) by J. RAY OLSON.

The manner and basis of converting shares of the Constiuent Corporations into shares of the Surviving Corporation shall be as follows:

(a) All of the outstanding membership interests of OLSON & LUSTER INSURANCE, LLC outstanding on the effective date of the merger and all rights in respect thereto, shall forthwith, upon such effective date, be converted into, and become exchanged for 25,000 common shares of the Surviving Corporation, and each holder of the membership interests of OLSON & LUSTER INSURANCE, LLC shall thereafter be entitled, upon presentation for surrender to PREMIER ALLIANCE PROPERTY & CASUALTY, INC. or its agent, of the certificate or certificates representing the shares of fully-paid and non-accessable common shares of the Surviving Corporation to which such holder shall be entitled on the aforesaid basis of conversion in exchange.

(b) All of the outstanding common shares of PREMIER ALLIANCE PROPERTY & CASUALTY, INC. outstanding on the effective date of the merger and all rights in respect thereto, shall forthwith, upon such effective date, be converted into, and become exchanged for 27,000 common shares of the Surviving Corporation, and each holder of the common shares of PREMIER ALLIANCE PROPERTY & CASUALTY, INC. shall thereafter be entitled, upon presentation for surrender to PREMIER ALLIANCE PROPERTY & CASUALTY, INC. or its agent, of the certificate or certificates representing the shares of fully-paid and non-accessable common shares of the Surviving Corporation to which such holder shall be entitled on the aforesaid basis of conversion in exchange.

Currently, the ownership interests issued and outstanding in the Constituent Corporations is held as follows:

OLSON & LUSTER INSURANCE, LLC

| <u>Member</u> | <u>Interest</u> |
|---------------|-----------------|
| J. RAY OLSON | 100% |

PREMIER ALLIANCE PROPERTY & CASUALTY, INC.

| <u>Shareholders</u> | <u>Shares</u> |
|-----------------------|---------------|
| PREMIER ALLIANCE, LLC | 25,000 |
| CLARK DOWDLE | 2,000 |

After the merger, the stock issued and outstanding in the Surviving Corporation will be held as follows:

| <u>SHAREHOLDER</u> | <u>SHARES</u> |
|-----------------------|---------------|
| PREMIER ALLIANCE, LLC | 25,000 |
| CLARK DOWDLE | 2,000 |
| J. RAY OLSON | 25,000 |

3. EFFECT OF THE MERGER.

(a) **RIGHTS, PRIVILEGES AND OBLIGATIONS.** On the Effective Date, the Surviving Corporation, without further act, deed or other transfer, shall retain or succeed to, as the case may be, and possess and be vested with all of the rights, privileges, immunities, powers, franchises and authority, of a public as well as of a private nature, of the Constituent Corporations; all property of every description and every interest therein and all debts and other obligations of or belonging to or due to the Constituent Corporations on whatever account shall thereafter be taken and deemed to be held by or transferred to, as the case may be, or vested in the Surviving Corporation without further act or deed; title to any real estate, or any interest therein, vested in the Constituent Corporations shall not revert or in any way be impaired by reason of the Merger; and all of the rights of creditors of the Constituent Corporations shall be preserved unimpaired, and all liens upon the property of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities, obligations and duties of the Constituent Corporations shall thenceforth remain with or attach to, as the case may be, the Surviving Corporation and may be enforced against it to the same extent as if all of said debts, liabilities, obligations and duties had been incurred or contracted by it.

(b) **ARTICLES OF INCORPORATION AND BYLAWS.** The Articles of Incorporation and Bylaws of PREMIER ALLIANCE PROPERTY & CASUALTY, INC. in effect on the Effective Date shall, from and after the Effective Date, be and continue to be the Articles of Incorporation and Bylaws of the Surviving Corporation unless and until changed as therein provided.

(c) **DIRECTORS AND OFFICERS.** The directors and officers of the Surviving Corporation on the Effective Date are as follows:

Director: J. RAY OLSON
GREG C. MAYES
LANE A. FULLMER

Officers:

President: J. RAY OLSON
Vice President: GREG C. MAYES
Secretary: LANE A. FULLMER
Treasurer: LANE A. FULLMER

Such directors and officers shall serve until they are removed or replaced in accordance with the Articles of Incorporation and Bylaws of PREMIER ALLIANCE PROPERTY & CASUALTY, INC.

(d) **FURTHER ACTION.** From time to time, as and when requested by the Surviving Corporation, or by its successors or assigns, any party hereto shall execute and deliver or cause to be executed and delivered all such deeds and other instruments, and shall take or cause to be taken all such further or other actions, as the Surviving Corporation, or its successors or assigns, may deem necessary or desirable in order to vest in or confirm to the Surviving Corporation, and its successors or assigns, title to and possession of all the property, rights, privileges, powers and franchises referred to herein and otherwise to carry out the intent and purposes of this Agreement.

4. TERMINATION; AMENDMENT.

(a) **TERMINATION PROVISION.** Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger abandoned upon written notice at any time prior to the Effective Date.

(i) by mutual consent of the Constituent Corporations;

(ii) if holders of at least a majority of the outstanding shares of common stock of PREMIER ALLIANCE PROPERTY & CASUALTY, INC or outstanding membership interests of OLSON & LUSTER INSURANCE, LLC shall not have voted in favor of the Merger; or

(iii) if there exists a suit, action or other proceeding commenced, pending or threatened, before any court or other governmental agency of the federal or state government, in which it is sought to restrain, prohibit or otherwise adversely affect the consummation of the Merger.

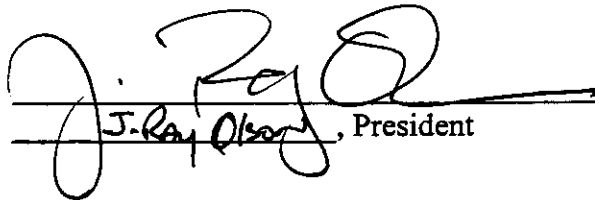
(b) **AMENDMENT PROVISIONS.** Anything contained in this Agreement notwithstanding, this Agreement may be amended or modified in writing at any time prior to the Effective Date, provided that an amendment made subsequent to the adoption of this Agreement by the shareholders of the Constituent Corporations shall not (i) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of the Constituent Corporations, (ii) alter or change any term of the Articles of Incorporation of the Surviving Corporation to be effected by the Merger, or (iii) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series thereof of the Constituent Corporations. Subject of the immediately foregoing sentence, the Constituent Corporations may by agreement in writing extend the time for performance of, or waive compliance with, the conditions or agreements set forth herein.

(c) **BOARD ACTION.** In exercising their rights under this Section 4, each of the Constituent Corporations may act by its Board of Directors or Manager, and such rights may

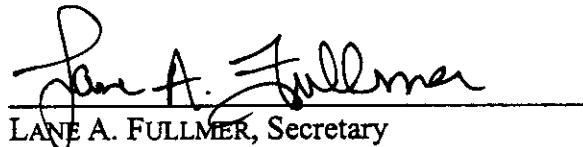
be so exercised, notwithstanding the prior approval of this Agreement by the shareholders or members of the Constituent Corporations.

IN WITNESS WHEREOF, this Agreement, having first been duly approved by resolution of the Board of Directors of each of the Constituent Corporations, is hereby executed on behalf of each of the Constituent Corporations by their respective officers thereunto duly authorized.

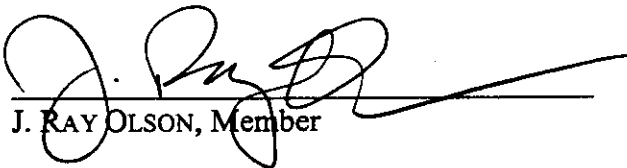
PREMIER ALLIANCE PROPERTY & CASUALTY, INC.,
An Idaho Corporation


J. Ray Olson, President

ATTEST:


LANE A. FULLMER, Secretary

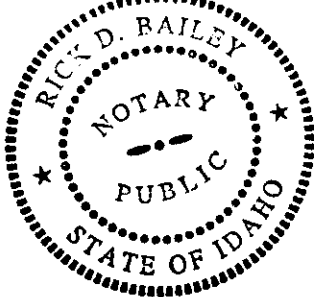
OLSON & LUSTER INSURANCE, LLC,
An Idaho Limited Liability Company

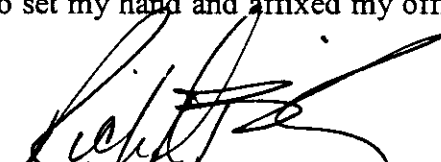

J. RAY OLSON, Member

STATE OF IDAHO)
) SS.
COUNTY OF CANYON)

On this 26th day of March, 2001, before me, the undersigned Notary Public in and for said State, personally appeared J. RAY OLSON, and LANE A. FULLMER known or identified to me to be the President and Secretary, respectively, of PREMIER ALLIANCE PROPERTY & CASUALTY, INC., the within named Idaho corporation that executed the foregoing instrument, and acknowledged to me that they were authorized to execute said instrument for and in behalf of such corporation for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



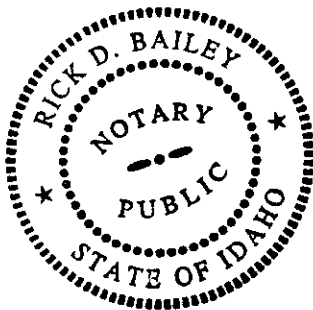


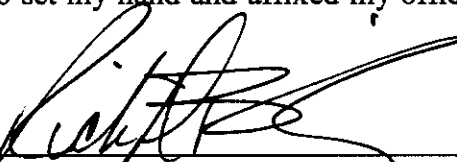
NOTARY PUBLIC, State of Idaho
Residing at Nampa, Idaho
My commission expires: 8/31/04

STATE OF IDAHO)
) SS.
COUNTY OF CANYON)

On this 26th day of March, 2001, before me, the undersigned Notary Public in and for said State, personally appeared J. RAY OLSON, known or identified to me to be the Member of OLSON & LUSTER INSURANCE, LLC, the within named Idaho limited liability company that executed the foregoing instrument, and acknowledged to me that he was authorized to execute said instrument for and in behalf of such limited liability company for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.





NOTARY PUBLIC, State of Idaho
Residing at Nampa, Idaho
My commission expires: 8/31/04