

State of Idaho

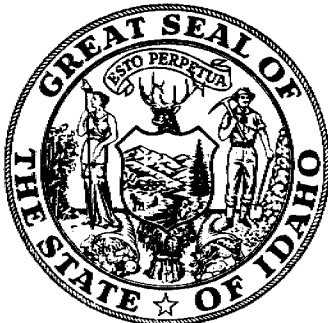
Department of State

CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Merger of ORCHARD ASSOCIATES, INC., an Idaho corporation, into PRIMARY HEALTH/ORCHARD ASSOCIATES, INC., an Idaho corporation, duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this certificate of merger, and attach hereto a duplicate original of the Articles of Merger.

Dated: July 26, 1994



Pete T. Cenarrusa
SECRETARY OF STATE

By *[Signature]*

ARTICLES OF MERGER

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Primary Health/Orchard Associates, Inc., an Idaho corporation ("Primary/Orchard") and Orchard Associates, Inc., an Idaho corporation ("Orchard Associates"), (collectively, the "Constituent Corporations") have agreed to a merger (the "Merger") pursuant to Section 30-1-71 of the Idaho Business Corporation Act (the "IBCA") and, subsequent to the approval by the Board of Directors of Primary/Orchard and Orchard Associates and by the shareholder of Orchard Associates in accordance with Section 30-1-71 and Section 30-1-73, respectively, of the IBCA, the Constituent Corporations have duly adopted these Articles of Merger.

PLAN OF MERGER

Section 1. The Merger. (a) As of the Effective Time (as defined in Section 2) and subject to the terms and conditions provided herein, Orchard Associates shall be merged into Primary/Orchard (the "Merger"). Following the Merger, the separate existence of Orchard Associates shall cease, in accordance with Section 30-1-76 of the IBCA, and Primary/Orchard shall be the surviving corporation in the Merger (sometimes referred to herein as the "Surviving Corporation"), shall continue its corporate existence under the IBCA under the present name of Primary/Orchard and shall succeed to all rights, assets, liabilities and obligations of Orchard Associates in accordance with the IBCA.

(b) The Merger shall have the effects specified by the IBCA.

Section 2. Effective Time. As soon as is practicable subsequent to the fulfillment or waiver of the conditions set forth in Article VIII of the Agreement and Plan of Reorganization, effective as of June 30, 1994 (the "Plan of Reorganization"), and provided that the Merger has not been terminated or abandoned pursuant thereto, the Constituent Corporations shall cause Articles of Merger (the "Articles of Merger") to be filed with the office of the Idaho Secretary of State as provided in Section 30-1-74 of the IBCA. Subject to and in accordance with the laws of the State of Idaho, the Merger shall become effective as of the date and time the Articles of Merger are filed with the office of the Idaho Secretary of State or such later time or date as may be specified in the Articles of Merger (the "Effective Time").

Section 3. Articles of Incorporation. The Articles of Incorporation of Primary/Orchard in effect immediately prior to the Effective Time shall be the Articles of Incorporation of the Surviving Corporation subsequent to the Effective Time.

Section 4. Bylaws. The Bylaws of Primary/Orchard in effect immediately prior to the Effective Time shall be the By-Laws of the Surviving Corporation subsequent to the Effective Time.

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Section 5. Board of Directors. From and subsequent to the Effective Time, the Board of Directors of Primary/Orchard shall be the Board of Directors of the Surviving Corporation, each director to hold office in accordance with the Articles of Incorporation and Bylaws of the Surviving Corporation.

Section 6. Officers. The officers of Primary/Orchard holding such positions immediately prior to the Effective Time shall be the officers of the Surviving Corporation, each to hold office in accordance with the Articles of Incorporation and Bylaws of the Surviving Corporation.

Section 7. Conversion of Orchard Associates Shares. As of the Effective Time, by virtue of the Merger and without any action on the part of any holder of any capital stock of Orchard Associates:

(a) All shares of common stock, \$1.00 par value per share, of Orchard Associates ("Orchard Associates Common Stock") that are authorized but unissued or which are owned by Primary Health or any subsidiary of Primary Health or Orchard Associates shall be cancelled and no consideration shall be delivered in exchange therefor.

(b) Each remaining issued and outstanding share of Orchard Associates Common Stock shall be converted into, and become exchangeable for that number of shares of validly issued, fully paid and nonassessable common stock, no par value per share, of Primary Health ("Primary Health Common Stock") set forth in Section 7(c) in addition to certain other consideration as provided in the Plan of Reorganization.

(c) In consideration for the exchange of Orchard Associates Common Stock, the following table sets forth the name of the shareholder of Orchard Associates (the "Shareholder"), the number of shares of Orchard Associates Common Stock held by the Shareholder prior to the Merger, the number of shares of Primary Health Common Stock to be issued to the Shareholder in the Merger and the cash to be paid to the Shareholder for fractional and odd-lot shares in the Merger.

| | Orchard Associates Common Stock Prior to Merger | Primary Health Common Stock Issued in Merger | Cash Payment for Fractional and Odd-lot Shares | Net Shares Primary Health Common Stock at Closing | Net Cash for Fractional and Odd-Lot Shares at Closing |
|---------------------------|---|--|--|---|---|
| Douglas H. Orchard Shares | 10,000 | 10,700 | | 10,700 | |
| Douglas H. Orchard Cash | | | \$200.00 | | \$200.00 |

Section 8. Status of Primary/Orchard Shares. As of the Effective Time, by virtue of the Merger and without any action on the part of any holder of any capital stock of Primary/Orchard, each issued and outstanding share of common stock of Primary/Orchard shall continue unchanged and remain outstanding as a share of common stock of the Surviving Corporation.

Section 9. Exchange of Stock Certificates. (a) On or prior to the Closing Date (as defined in the Plan of Reorganization), Primary Health shall make available to Hawley Troxell Ennis & Hawley (the "Exchange Agent") the certificates representing shares of Primary Health Common Stock required to effect the exchange referred to in Section 7(b). Primary Health also shall make available to the Exchange Agent the cash required to make the cash payments in lieu of fractional shares referred to in Section 7(c). Shares of Primary Health Common Stock into which shares of Orchard Associates Common Stock shall be converted in the Merger shall be deemed to have been issued as of the Effective Time.

(b) At the Closing (as defined in the Plan of Reorganization), the Shareholder shall surrender to the Exchange Agent each certificate, which immediately prior to the Effective Time represented outstanding shares of Orchard Associates Common Stock, and receive in exchange therefor a certificate or certificates representing the number of whole shares of Primary Health Common Stock into which such Shareholder's shares of Orchard Associates Common Stock were converted pursuant to Section 7(b) and cash pursuant to Section 7(c). If any certificate for shares of Primary Health Common Stock is to be issued in a name other than that in which the certificate, which immediately prior to the Effective Time represented shares of Orchard Associates Common Stock, surrendered in exchange therefor is registered, it shall be a condition of such exchange that the Shareholder shall pay any transfer or other taxes required by reason of the issuance of certificates for such shares of Primary Health Common Stock in a name other than that of the registered holder of any such certificate surrendered.

Section 10. Closing of Transfer Books. As of the Effective Time, the stock transfer books of Orchard Associates shall be closed and no transfer of shares of Orchard Associates Common Stock shall thereafter be made.

SHAREHOLDER VOTE

As of the Closing Date, there were 10,000 shares of capital stock of Orchard Associates issued and outstanding, all of which capital stock was voted in favor of the Merger in accordance with Section 30-1-73 of the IBCA. The vote of the Primary/Orchard shareholder was not required in connection with the Merger in accordance with Section 30-1-73(d) of the IBCA.

Executed this 26th day of July, 1994.

PRIMARY HEALTH/ORCHARD
ASSOCIATES, INC.

By: Shane M. Kelly
Shane M. Kelly, President

By: Thomas B. Chandler
Thomas B. Chandler, Secretary

STATE OF IDAHO)

County of Ada) ss.

I, Shane M. Kelly, a notary public, do hereby certify that on this ____ day of July, 1994, personally appeared before me SHANE M. KELLY, who, being by me first duly sworn, declared that he is the President of PRIMARY HEALTH/ORCHARD ASSOCIATES, INC., that he signed the foregoing Articles of Merger as President of the corporation, and that the statements therein contained are true.

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

Shane M. Kelly
Notary Public for Idaho
Residing at Boise, Idaho
My commission expires 3-11-98

STATE OF IDAHO)

) ss.

County of Ada)

I, Anna M. Cortianda, a notary public, do hereby certify that on this 19th day of July, 1994, personally appeared before me THOMAS B. CHANDLER, who, being by me first duly sworn, declared that he is the Secretary of PRIMARY HEALTH/ORCHARD ASSOCIATES, INC., that he signed the foregoing Articles of Merger as Secretary of the corporation, and that the statements therein contained are true.

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

Anna M. Cortianda
Notary Public for Idaho
Residing at Meridian, Idaho
My commission expires 12-21-99

Executed this 25 day of July, 1994.

ORCHARD ASSOCIATES, INC.

By: [Signature]
Name: Douglas H. Orchard
Title: President

By: [Signature]
Name: DEEANN ORCHARD
Title: SECRETARY

STATE OF IDAHO)

) ss.

County of Ada)

I, M. Judith Marlow, a notary public, do hereby certify that on this 25th day of July, 1994, personally appeared before me DOUGLAS H. ORCHARD, who, being by me first duly sworn, declared that he is the President of ORCHARD ASSOCIATES, INC., that he signed the foregoing Articles of Merger as President of the corporation, and that the statements therein contained are true.

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

M. Judith Marlow

Notary Public for Idaho

Residing at Boni

My commission expires 11-20-99

STATE OF IDAHO)

) ss.

County of Ada)

I, M. Judith Marlow, a notary public, do hereby certify that on this 25th day of July, 1994, personally appeared before me DEANN ORCHARD, who, being by me first duly sworn, declared that she is the Secretary of ORCHARD ASSOCIATES, INC., that she signed the foregoing Articles of Merger as Secretary of the corporation, and that the statements therein contained are true.

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

M. Judith Marlow

Notary Public for Idaho

Residing at Boni

My commission expires 11-20-99