105662

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

PEOPLE'S PPO, INCORPORATED

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of the above named corporation, duly signed 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 Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: March 23, 1994



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By July Haken

ARTICLES OF INCORPORATION SEC. OF STATE

PEOPLE'S PPO, INCORPORATED 23 AM 8 47

Douglas J. Siddoway, being over the age of eighteen (18) years, for the purpose of forming a corporation under the provisions of the Idaho Business Corporation Act, adopts these Articles of Incorporation:

ARTICLE I

Name of Corporation

The name of this corporation is PEOPLE'S PPO, INCORPORATED.

ARTICLE II

<u>Duration</u>

This corporation's duration shall be perpetual.

ARTICLE III

Purpose

The purpose for which this corporation is organized and its powers are to (i) to contract with providers of medical services and (ii) in general, carry on any lawful business for which corporations may be incorporated under the laws of the State of Idaho, and which this corporation may deem proper or convenient, or which may be calculated to promote directly or indirectly the interests of this corporation or to enhance the value of its property or business, even though such business may not be included in the purposes and powers expressed, and to exercise all of the powers conferred by the laws of the State of Idaho under which this corporation is formed, as such laws are now in effect or as they may be amended at any time in the future.

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ARTICLE IV

Registered Office and Registered Agent

The address of the registered office of this corporation is 703 John Adams Parkway, Idaho Falls, Idaho 83401. The name of the registered agent at such address is Jerry Mitchell.

ARTICLE V

Authorized Shares

The total number of shares of all classes of stock which this corporation shall have authority to issue is 10,000,000 shares, consisting of (a) 3,000,000 shares of class A common stock, without par value (the "Class A Common Stock"), (b) 6,000,000 shares of class B common stock, without par value (the "Class B Common Stock") and (c) 1,000,000 shares of preferred stock, without par value (the "Preferred Stock").

The designations, relative rights, preferences and limitations of the shares of the Class A Common Stock, Class B Common Stock and Preferred Stock are as follows:

A. Class A Common Stock.

Ownership. Ownership of shares of Class A Common Stock, whether of record or beneficial, shall be limited to individual physicians and non-physician institutional providers of medical care who (i) contract with this corporation to provide medical services and (ii) whose practices or facilities are substantially within Southeastern Idaho, including but not limited to the following counties of Southeastern Idaho: Bonneville, Madison, Fremont, Jefferson, Bingham and Bannock.

<u>Voting</u>. The holders of Class A Common Stock shall at all times vote as one class, with each holder of record entitled to one vote for each share held. The holders of Class A Common Stock shall at all times be entitled to elect four (4) of this corporation's nine (9) directors, or if the number of directors of this corporation is either more or less than nine (9), such number of directors as equals one less than a majority of such directors. A holder of shares of Class A Common Stock shall not be entitled as a matter of right to cumulate its votes.

<u>Dividends</u>. Each issued and outstanding share of Class A Common Stock shall entitle the holder thereof to receive dividends (whether payable in cash, stock or otherwise), when, as and if declared by the board of directors of this corporation out of funds legally available therefore, <u>subject</u>, however, to the rights of preferred shareholders to first receive dividends payable with respect to the Preferred Stock.

Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the affairs of this corporation, whether voluntary or involuntary, each issued and outstanding share of Class A Common Stock shall entitle the holder of record thereof to receive ratably and equally all the assets and funds of this corporation available for distribution to its shareholders, whether from capital or surplus, subject, however, to the rights of preferred shareholders to first receive such assets and funds with respect to the Preferred Stock.

Merger, Consolidation, Etc. Upon the merger or consolidation of this corporation (in a merger or consolidation in which shareholders of this corporation receive cash or securities of any other person or entity upon such merger or consolidation), or upon the sale or other disposition of all or substantially all of the properties and assets of this corporation as an entirety to any person or entity, the aggregate consideration therefore payable to the shareholders of this corporation, if any, shall be distributed as if such merger, consolidation, sale or other disposition were a distribution in liquidation, dissolution or winding up of the affairs of this corporation.

<u>Preemptive Rights</u>. A holder of shares of Class A Common Stock shall not be entitled as a matter of right to preemptive rights to acquire additional shares of capital stock of this corporation.

B. Class B Common Stock.

<u>Voting</u>. The holders of Class B Common Stock shall at all times vote as one class, with each holder of record entitled to one vote for each share held. The holders of Class B Common Stock shall at all times be entitled to elect five (5) of this corporation's nine (9) directors, or if the number of directors of this corporation is either more or less than nine (9), such number of directors as equals one more than a majority of such directors. A holder of shares of Class B Common Stock shall not be entitled as a matter of right to cumulate its votes.

<u>Dividends</u>. Each issued and outstanding share of Class B Common Stock shall entitle the holder thereof to receive dividends (whether payable in cash, stock or otherwise), when, as and if declared by the board of directors of this corporation out of funds legally available therefore, <u>subject</u>, however, to the rights of preferred shareholders to first receive dividends payable with respect to the Preferred Stock.

Liquidation, Dissolution or Winding Up. In the event of any liquidation, dissolution or winding up of the affairs of this corporation, whether voluntary or involuntary, each issued and outstanding share of Class B Common Stock shall entitle the holder of record thereof to receive ratably and equally all the assets and funds of this corporation available for distribution to its shareholders, whether from capital or surplus, subject, however, to the rights of preferred shareholders to first receive such assets and funds with respect to the Preferred Stock.

Merger, Consolidation, Etc. Upon the merger or consolidation of this corporation (in a merger or consolidation in which shareholders of this corporation receive cash or securities of any other person or entity upon such merger or consolidation), or upon the sale or other disposition of all or substantially all of the properties and assets of this corporation as an entirety to any person or entity, the aggregate consideration therefore payable to the shareholders of this corporation, if any, shall be distributed as if such merger, consolidation, sale or other disposition were a distribution in liquidation, dissolution or winding up of the affairs of this corporation.

<u>Preemptive Rights</u>. A holder of shares of Class B Common Stock shall not be entitled as a matter of right to preemptive rights to acquire additional shares of capital stock of this corporation.

C. Preferred Stock.

Board Determination of Certain Characteristics. The board of directors of this corporation is hereby authorized, subject to the limitations prescribed by law and the provisions hereof, at its option, from time to time to divide all or any part of the Preferred Stock into series thereof; to establish from time to time the number of shares to be included in any such series; to fix the designations, powers, preferences and rights of the shares of each such series and

the qualifications, limitations or restrictions thereof; and to determine variations, if any, between any series so established as to all matters, including, but not limited to, the determination of the following:

- (a) the number of shares constituting each such series and the distinctive designation of such series;
- (b) the rate of dividend, if any, and whether dividends shall be cumulative or noncumulative;
- (c) the voting power of holders of such series, if any, including, without limitation, the vote or fraction of vote to which such holder may be entitled, the events upon the occurrence of which such holder may be entitled to vote, and any restrictions or limitations upon the right of such holder to vote, except on such matters as may be required by law;
- (d) whether or not such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates after which the shares constituting such series shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;
- (e) the extent, if any, to which such series shall have the benefit of any sinking fund provisions for redemption or repurchase of shares;
- (f) the rights, if any, of such series in the event of the dissolution of this corporation or upon any distribution of the assets of this corporation, including, with respect to the voluntary or involuntary liquidation, dissolution or winding up of this corporation, the relative rights of priority, if any, of payment of shares of such series;
- (g) whether or not the shares of such series shall be convertible and, if so, the terms and conditions on which shares of such series shall be so convertible; and
- (h) such other powers, designations, preferences and relative participating, optional or other special rights, and such qualifications, limitations or restrictions thereon as are permitted by law.

ARTICLE VI

<u>Directors</u>

The number, qualifications, terms of office, manner of election, time and place of meetings, powers and duties of the directors of this corporation shall be prescribed by the Bylaws of this corporation, but the initial board of directors shall number four (4) who shall serve until the first meeting of shareholders or until their successors are elected and qualified.

The names and post office addresses of the initial directors are as follows:

<u>Name</u>

<u>Address</u>

Milan A. Jeckle	P.O. Box 141253 Spokane, Washington 99214
William A. Jeckle	P.O. Box 141253 Spokane, Washington 99214
Glen E. Ogden	8228 Mayfield Road, Suite 3B Chesterland, Ohio 44026
Jerry Mitchell	703 John Adams Parkway Idaho Falls, Idaho 83401

ARTICLE VII

<u>Limitation on Liability of Directors</u> and <u>Indemnification</u>

To the full extent that the Idaho Business Corporation Act, as it exists hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors, a director of this corporation shall not be liable to this corporation or its shareholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this Article VII shall not limit or eliminate the liability of a director of this corporation for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or for any transaction for which such director derived an improper personal benefit. Any amendment to or repeal of this Article VII shall not adversely affect any right or protection of a director of this corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

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This corporation shall have the power to indemnify a director, officer, or former director or officer of this corporation, or any person who may have served at this corporation's request as a director or officer of another corporation, against expenses actually and reasonably incurred by such person in connection with the defense of any action, suit or proceeding, civil or criminal, in which he or she becomes a party by reason of being or having been such director or officer, to the full extent permitted by the Idaho Business Corporation Act and this corporation's Bylaws, as the same exist or may hereafter be amended.

This corporation, to the full extent permitted by the Idaho Business Corporation Act and this corporation's Bylaws, as the same exist or may hereafter be amended, also shall have the power to enter into an agreement to advance expenses and litigation costs of any director or officer, or former director or officer, without making any determination of the director's or officer's good faith or reasonable beliefs with regard to the lawfulness of his or her activity. The indemnification so authorized shall not protect or purport to protect any director or officer against liability to this corporation or to its shareholders to which he or she otherwise would be subject by reason of intentional misconduct, a knowing violation of the law, or in connection with any transaction with respect to which it is finally adjudged that such director or officer personally received a benefit in money, property or services to which that director or officer was not legally The indemnification so authorized shall continue in entitled. effect as it relates to all acts or omissions committed while the director or officer held his or her position, notwithstanding his or her subsequent resignation or removal from that position, and the indemnification shall inure to the benefit of the heirs, executors and administrators of that person or his or her estate.

ARTICLE VIII

Bylaws

The board of directors shall have full power to adopt, alter, amend or repeal the Bylaws of this corporation or adopt new Bylaws, subject to repeal or change by action of the shareholders. Nothing herein shall deny the concurrent power of the shareholders to alter, amend, or repeal the Bylaws or adopt new Bylaws.

ARTICLE IX

Transactions With Interested Parties

This corporation may enter into contracts and otherwise transact business as vendor, purchaser or otherwise with its directors, officers and shareholders and with corporations, associations, firms and entities in which they are, may be or may become interested as directors, officers, shareholders, members or otherwise, as freely as though such adverse interests did not exist, even though the vote, action or presence of such director, officer or shareholder may be necessary to obligate the corporation upon such contracts or transactions; and in the absence of fraud, no such contract or transaction shall be voided and no such director, officer or shareholder shall be held liable to account to this corporation by reason of such adverse interest or by reason of any fiduciary relationship to this corporation arising out of such office or stock ownership for any profit or benefit realized by him though any such contract or transaction; provided that in the case of directors and officers of this corporation (but not in the case of shareholders who are not directors or officers), the nature of the interest of such director or officer, though not necessarily the details or extent thereof, be disclosed or known to the board of directors of this corporation at the meeting thereof at which such contract or transaction is authorized or confirmed. A general notice that a director or officer of this corporation is interested in any corporation, association, firm or entity shall be sufficient disclosure as to such director or officer with respect to all contracts and transactions with that corporation, association, firm or entity.

ARTICLE X

Amendment to Articles

This corporation reserves the right to amend, alter, change or repeal any provisions contained in its Articles of Incorporation in any manner now or hereafter prescribed or permitted by statute. All rights of shareholders of this corporation are granted subject to this reservation.

ARTICLE XI

Incorporator

The name and post office address of the incorporator is:

<u>Name</u>

Address

Douglas J. Siddoway

1500 Seafirst Financial Center West 601 Riverside Avenue Spokane, Washington 99201

IN WITNESS WHEREOF, the incorporator has signed these Articles of Incorporation in duplicate this 3rd day of March, 1994.

Douglas J. Siddoway, Incorporator

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CONSENT TO SERVE AS REGISTERED AGENT

I, Jerry Mitchell hereby consent to serve as the registered Agent, in the State of Idaho, for PEOPLE'S PPO, Incorporated. I understand that as Agent for this Corporation, it will be my responsibility to receive service of process in the name of the Corporation; to forward all mail to the Corporation; and to immediately notify the Office of the Secretary of State in the event of my resignation, or any changes in the registered office address of the Corporation for which I am Agent.

Address:

703 John Adams Parkway Idaho Falls, ID 83401

Subscribed and sworn to before me this 24th , day of February, 1994.

Notary Public

Residing at <u>Rigby, Idaho</u>
My Commission Expires <u>09/04/96</u>

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