

L04865

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FILED
99 AUG 19 PM 2:51
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

August 17, 1998

Department of State
Division of Corporations
409 E. Gaines Street
Tallahassee, Florida 32399

Re: Filing of Articles of Merger - First Health Management, Inc. into Preferred Healthcare Consultants, Inc.

Dear Sir or Madam:

Please file enclosed Articles of Merger merging First Health Management, Inc. into Preferred Healthcare Consultants, Inc. The \$35.00 filing fee for each party thereto for a total of \$70.00 is also enclosed.

Thank you for your assistance in this matter.

Sincerely,



Garry R. Spear
Attorney at Law

Enclosure
cc: file

800002618668--6
-08/18/98--01035--009
*****35.00 *****35.00

800002618668--6
-08/18/98--01035--010
*****35.00 *****35.00

Merger

VS AUG 26 1998

ARTICLES OF MERGER
Merger Sheet

MERGING: -----

FIRST HEALTH MANAGEMENT, INC., a Florida corporation, P97000095397

INTO

PREFERRED HEALTHCARE CONSULTANTS, INC., a Florida corporation,
L04865.

File date: August 19, 1998

Corporate Specialist: Velma Shepard

**ARTICLES OF MERGER
OF FLORIDA CORPORATIONS
INTO
PREFERRED HEALTHCARE CONSULTANTS, INC.**

FILED
98 AUG 19 PM 2:51
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1105 of the Florida Business Corporation Act, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations.

**ARTICLE ONE
AGREEMENT AND PLAN OF MERGER AND REORGANIZATION**

The Agreement and Plan of Merger and Reorganization attached hereto as Attachment A was approved by the shareholders of each of the undersigned corporations in the manner prescribed by the Florida Business Corporation Act.

**ARTICLE TWO
EFFECTIVE DATE**

The effective date of the merger shall be the date of filing of these Articles of Merger.

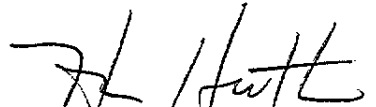
**ARTICLE THREE
DATES OF ADOPTION**

The dates of adoption of the Agreement and Plan of Merger and Reorganization by the shareholders were:

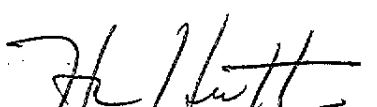
<u>Name of Corporation</u>	<u>Date</u>
First Health Management, Inc.	June 30, 1998
Preferred Healthcare Consultants, Inc.	June 30, 1998

IN WITNESS WHEREOF, we have subscribed our names this 24th day of June, 1998.

**FIRST HEALTH
MANAGEMENT, INC.**


By: JONATHAN HUTTNER
Its: PRESIDENT

**PREFERRED HEALTHCARE
CONSULTANTS, INC.**


By: JONATHAN HUTTNER
Its: PRESIDENT

STATE OF FLORIDA:

COUNTY OF BROWARD:

BEFORE ME, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared JONATHAN HUTNER, as President of **FIRST HEALTH MANAGEMENT, INC.**, to me known to be the person described as and who subscribed the above Articles of Merger, who produced a driver's license as identification, and who took an oath and acknowledged before me that he executed said Articles of Merger.

WITNESS my hand and official seal this 24th day of June, 1998.

Michelle Madden

Notary Public
State of Florida

My Commission Expires:



STATE OF FLORIDA:

COUNTY OF BROWARD:

BEFORE ME, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared JONATHAN HUTNER, as President of **PREFERRED HEALTHCARE CONSULTANTS, INC.**, to me known to be the person described as and who subscribed the above Articles of Merger, who produced a driver's license as identification, and who took an oath and acknowledged before me that he executed said Articles of Merger.

WITNESS my hand and official seal this 24th day of June, 1998.

Michelle Madden

Notary Public
State of Florida

My Commission Expires:



PLAN OF MERGER

of

FIRST HEALTH MANAGEMENT, INC.

with and into

PREFERRED HEALTHCARE CONSULTANTS, INC.

under the name of

PREFERRED HEALTHCARE CONSULTANTS, INC.

This is a Plan of Merger ("Agreement") of First Health Management, Inc., a Florida corporation, with and into Preferred Healthcare Consultants, Inc., a Florida corporation.

ARTICLE ONE PLAN OF MERGER

1.01 A plan of merger of First Health Management, Inc., a Florida corporation (the "Nonsurviving Corporation") with and into Preferred Healthcare Consultants, Inc. ("PHC") or ("Surviving Corporation"), pursuant to Section 607.1107 of the Florida Statutes, is adopted as follows:

(a) The Nonsurviving Corporation shall be merged with and into the Surviving Corporation, to exist and be governed by the laws of the State of Florida.

(b) The name of the Surviving Corporation shall be Preferred Healthcare Consultants, Inc.

(c) When this Agreement shall become effective, the separate corporate existence of the Nonsurviving Corporation shall cease, and the Surviving Corporation shall succeed, without other transfer, to all rights and property of the Nonsurviving Corporation, and shall be subject to all debts and liabilities of the Nonsurviving Corporation in the same manner as if the Surviving Corporation had itself incurred them. All rights of creditors and all liens on the property of each constituent corporation shall be preserved unimpaired, limited in lien to the property affected by the liens immediately prior to the merger.

(d) The Surviving Corporation will carry on business with the assets of the Nonsurviving Corporation, as well as with the assets of the Surviving Corporation.

(e) The shareholders of the Nonsurviving Corporation will surrender all of their shares in the manner hereinafter set forth.

(f) In exchange for the shares of the Nonsurviving Corporation surrendered by their shareholders, the Surviving Corporation will issue and transfer to these shareholders, on the basis set forth in Article Four below, shares of its common stock. The Surviving Corporation will amend its Articles of Incorporation as set forth below to provide for issuance of the shares of common stock to be used in the exchange.

(g) The shareholders of PHC will retain their shares as shares of the Surviving Corporation.

(h) The Articles of Incorporation of PHC, as existing on the effective date of the merger, shall continue in full force as the Articles of Incorporation of the Surviving Corporation until altered, amended, or repealed as provided in the Articles or as provided by law.

1.02 The effective date of the merger ("Effective Date") shall be the final date when the Articles of Merger are filed by the Secretary of State, State of Florida.

**ARTICLE TWO
REPRESENTATIONS AND WARRANTIES
OF
CONSTITUENT CORPORATIONS**

2.01 As a material inducement to the Surviving Corporation to execute this Agreement and perform its obligations under this Agreement, the Nonsurviving Corporation represents and warrants to the Surviving Corporation as follows:

(a) The Nonsurviving Corporation is duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate power and authority to own property and carry on their business as it is now being conducted. The Nonsurviving Corporation is qualified to transact business as a foreign corporation and is in good standing in all jurisdictions in which its principal properties are located and business is transacted.

(b) The Nonsurviving Corporation has an authorized capitalization of 100 shares of common stock, each of \$1.00 par value, of which 100 shares are validly issued and outstanding, fully paid, and nonassessable on the date of this Agreement.

(c) The Nonsurviving Corporation has furnished the Surviving Corporation with the unaudited balance sheet of the Nonsurviving Corporation as of May 31, 1998, and the related unaudited statement of income for the twelve (12) months then ended. These financial statements (i) are in accordance with the books and records of the Nonsurviving Corporation; (ii) fairly present the financial condition of the Nonsurviving Corporation as of those dates and the results of its operations as of and for the periods specified, all prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior accounting periods; and (iii) contain and reflect, in accordance with generally accepted accounting principles consistently applied, reserves for all liabilities, losses, and costs in excess of expected receipts and all discounts and refunds for services and products already rendered or sold that are reasonably anticipated and based on events or circumstances in existence or likely to occur in the future with respect to any of the contracts or commitments of the Nonsurviving Corporation.

Specifically, but not by way of limitation, the Balance Sheet discloses, in accordance with generally accepted accounting principles, all of the debts, liabilities, and obligations of any nature (whether absolute, accrued, contingent, or otherwise, and whether due or to become due) of the Nonsurviving Corporation as of the date of the Balance Sheet, and includes appropriate reserves for all taxes and other liabilities accrued or due at that date but not yet payable.

(d) All required federal, state, and local tax returns of the Nonsurviving

Corporation have been accurately prepared and duly and timely filed, and all federal, state, and local taxes required to be paid with respect to the periods covered by the returns have been paid. The Nonsurviving Corporation has not been delinquent in the payment of any tax or assessment.

2.02 As a material inducement to the Nonsurviving Corporation to execute this Agreement and perform their obligations under this Agreement, the Surviving Corporation represents and warrants to the Nonsurviving Corporation as follows:

(a) The Surviving Corporation is duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate power and authority to own property and carry on its business as it is now being conducted. The Surviving Corporation is qualified to transact business as a foreign corporation and is in good standing in all jurisdictions in which its principal properties are located and business is transacted.

(b) The Surviving Corporation has an authorized capitalization of 100 shares of common stock, each of \$1.00 par value, of which 100 shares are validly issued and outstanding, fully paid, and nonassessable on the date of this Agreement.

2.03 The parties will mutually arrange for and manage all necessary procedures, if any, under the requirements of federal and state securities laws and the related supervisory commissions to the end that this plan is properly processed to comply with registration formalities, if any, or to take full advantage of any appropriate exemptions from registration, and to otherwise be in accord with all anti-fraud restrictions in this area.

ARTICLE THREE COVENANTS, ACTIONS, AND OBLIGATIONS PRIOR TO THE EFFECTIVE DATE

Conditions Precedent to Obligations of the Nonsurviving Corporations

3.01 Except as limited by this Paragraph 3.01, pending consummation of the merger, each of the constituent corporations will carry on its business in substantially the same manner as before and will use its best efforts to maintain its business organization intact, to retain its present employees, and to maintain its relationships with suppliers and other business contacts. Except with the prior consent in writing of the Surviving Corporation, pending consummation of the merger, the Nonsurviving Corporation shall not:

- (a) Declare or pay any dividend or make any other distribution on its shares.
- (b) Create or issue any indebtedness for borrowed money.
- (c) Enter into any transaction other than in the ordinary course of business.

3.02 This Agreement shall be submitted to the shareholders of the Nonsurviving

Corporation for approval in the manner provided by the laws of the State of Florida. This Agreement shall not be submitted to the shareholders of the Surviving Corporation because such approval is not required pursuant to Section 607.1103(7) of the Florida Statutes.

3.03 Except as may be expressly waived in writing by the Nonsurviving Corporation, all of the obligations of the Nonsurviving Corporation under this Agreement are subject to the satisfaction, prior to the Effective Date, of each of the following conditions by the Surviving Corporation:

(a) The representations and the warranties made by the Surviving Corporation to the Nonsurviving Corporation in Article Two of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall then be true and correct in all material respects. If the Surviving Corporation shall have discovered any material error, misstatement, or omission in those representations and warranties on or before the Effective Date, it shall report that discovery immediately to the Nonsurviving Corporation and shall either correct the error, misstatement, or omission or obtain a written waiver from the Nonsurviving Corporation.

(b) The Surviving Corporation shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

(c) The Surviving Corporation shall have delivered to the Nonsurviving Corporation an opinion of counsel for the Surviving Corporation, dated the Effective Date, to the effect that:

(1) The Surviving Corporation is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with full corporate power to carry on the business in which it is engaged, and is legally qualified to do business as a foreign corporation in good standing in each jurisdiction where failure to qualify would materially and adversely affect the business or properties of the Surviving Corporation. The Surviving Corporation has no subsidiaries.

(2) The execution, the delivery, and the performance of this Agreement by the Surviving Corporation has been duly authorized and approved by requisite corporate action of the Surviving Corporation.

(3) This Agreement and the instruments delivered to the Nonsurviving Corporations under this Agreement have been duly executed and delivered by the Surviving Corporation and constitute the valid and binding obligations of the Surviving Corporation, enforceable in accordance with their terms except as limited by the laws of bankruptcy and insolvency.

(d) The Surviving Corporation shall have delivered to the Nonsurviving Corporation a certificate dated the Effective Date executed in its corporate name by its

President or any Vice President, certifying to the satisfaction of the conditions specified in Subparagraphs (a) and (b) of this Paragraph 3.03.

(e) No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

(f) All corporate and other proceedings and action taken in connection with the transactions contemplated by this Agreement and all certificates, opinions, agreements, instruments, and documents shall be satisfactory in form and substance to counsel for the Nonsurviving Corporation.

Conditions Precedent to Obligations of the Surviving Corporation

3.04 Except as may be expressly waived in writing by the Surviving Corporation, all of the obligations of the Surviving Corporation under this Agreement are subject to the satisfaction, prior to the Effective Date, of each of the following conditions by the Nonsurviving Corporation:

(a) The representations and the warranties made by the Nonsurviving Corporation to the Surviving Corporation in Article Two of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall then be true and correct in all material respects. If the Nonsurviving Corporation shall have discovered any material error, misstatement, or omission in those representations and warranties on or before the Effective Date, they shall report that discovery immediately to the Surviving Corporation and shall either correct the error, misstatement, or omission or obtain a written waiver from the Surviving Corporation.

(b) The Nonsurviving Corporation shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by them prior to or on the Effective Date.

(c) The Nonsurviving Corporation shall have delivered to the Surviving Corporation an opinion of counsel for the Nonsurviving Corporation, dated the Effective Date, to the effect that:

(1) The Nonsurviving Corporation is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with full corporate power to carry on the business in which it is engaged, and is legally qualified to do business as a foreign corporation in good standing in each jurisdiction where failure to qualify would materially and adversely affect the business or properties of the Nonsurviving Corporation. The Nonsurviving Corporation has no subsidiaries.

(2) The execution, the delivery, and the performance of this Agreement by the Nonsurviving Corporation has been duly authorized and approved by requisite corporate

action of the Nonsurviving Corporation.

(3) This Agreement and the instruments delivered to the Surviving Corporation under this Agreement have been duly executed and delivered by the Nonsurviving Corporation and constitute the valid and binding obligations of the Nonsurviving Corporation, enforceable in accordance with their terms except as limited by the laws of bankruptcy and insolvency.

(d) The Nonsurviving Corporation shall have delivered to the Surviving Corporation certificates dated the Effective Date executed in its corporate name by its President or any Vice President, certifying to the satisfaction of the conditions specified in Subparagraphs (a) and (b) of this Paragraph 3.04.

(e) No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

(f) All corporate and other proceedings and action taken in connection with the transactions contemplated by this Agreement and all certificates, opinions, agreements, instruments, and documents shall be satisfactory in form and substance to counsel for the Surviving Corporation.

(g) Each stockholder shall have delivered a letter to the Surviving Corporation containing the indemnity agreement and other provisions prescribed in Paragraph 7.02 of this Agreement.

ARTICLE FOUR MANNER OF CONVERTING SHARES

4.01 The holders of shares of the Nonsurviving Corporation shall surrender their shares to the Secretary of the Surviving Corporation promptly after the Effective Date, in exchange for shares of the Surviving Corporation to which they are entitled under this Article Four.

4.02 The shareholders of the Nonsurviving Corporation shall be entitled to receive zero (0) shares of common stock of the Surviving Corporation, each of \$1.00 par value, being approximately 50% percent of the total outstanding common stock of the Surviving Corporation, to be distributed on the basis of one share for each share of common stock of the Nonsurviving Corporation.

ARTICLE FIVE DIRECTORS AND OFFICERS

5.01 The present Board of Directors of the Surviving Corporation shall continue to serve as the Board of Directors of the Surviving Corporation until the next annual meeting or

until their successors have been elected and qualified.

5.02 If a vacancy shall exist on the Board of Directors of the Surviving Corporation on the Effective Date of the merger, the vacancy may be filled by the shareholders as provided in the bylaws of the Surviving Corporation.

5.03 All persons who as of the Effective Date of the merger shall be executive or administrative officers of the Surviving Corporation shall remain as officers of the Surviving Corporation until the Board of Directors of the Surviving Corporation shall determine otherwise. The Board of Directors may elect or appoint additional officers as it deems necessary.

ARTICLE SIX BYLAWS

The bylaws of the Surviving Corporation, as existing on the Effective Date of the merger shall continue in full force as the bylaws of the Surviving Corporation until altered, amended, or repealed as provided in the bylaws or as provided by law.

ARTICLE SEVEN NATURE AND SURVIVAL OF WARRANTIES INDEMNIFICATION EXPENSE OF NONSURVIVING CORPORATIONS

7.01 All statements contained in any memorandum, certificate, letter, document, or other instrument delivered by or on behalf of the Nonsurviving Corporation, Surviving Corporation, or the stockholders pursuant to this Agreement shall be deemed representations and warranties made by the respective parties to each other under this Agreement. The covenants, representations and warranties of the parties and the stockholders shall survive for a period of three years after the Effective Date. No inspection, examination, or audit made on behalf of the parties or the stockholders shall act as a waiver of any representations or warranties made under this Agreement.

7.02 The Nonsurviving Corporation agrees that on or prior to the Effective Date it shall obtain from the stockholders an agreement under which the stockholders shall:

(a) Make those representations and warranties to the Surviving Corporation as are described in Article Two of this Agreement, as of the Effective Date.

(b) Agree to indemnify the Surviving Corporation for misrepresentation or breach of warranty made to the Surviving Corporation.

(c) Agree to pay all expenses incurred or to be incurred by or on behalf of the Nonsurviving Corporation in connection with and arising out of this Agreement.

**ARTICLE EIGHT
TERMINATION**

This Agreement may be terminated and the merger may be abandoned at any time prior to the filing of the Articles of Merger with the Secretary of State, notwithstanding the approval of the shareholders of any of the constituent corporation by the mutual consent of the Board of Directors of the constituent corporations.

**ARTICLE NINE
MISCELLANEOUS**

9.01 This Agreement and the exhibits to this Agreement contain the entire agreement between the parties with respect to the contemplated transactions.

9.02 No party may assign its rights or obligations under this Agreement without the consent of the others.

9.03 No alterations, changes, modifications or amendments shall be made to this Agreement except in writing and signed or initialed by the parties hereto.

9.04 If any provision or paragraph of this Agreement is deemed to be unlawful or unenforceable by any court, administrative agency or statute, law or ordinance, the said provision or paragraph shall be severed from the Agreement without affecting the enforceability of the remainder of the Agreement. The parties shall make a good faith effort to redraft the severed provision or paragraph consistent with the parties' original intention but in such a way as to be lawful and enforceable.

9.05 This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns and is applicable to the heirs and legal representatives of the parties hereto.

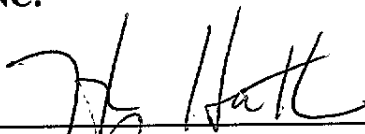
9.06 This Agreement may be executed in several counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, this Agreement was executed on this 24th day of June 1998.

**NONSURVIVING CORPORATION:
FIRST HEALTH MANAGEMENT,
INC.**

By:

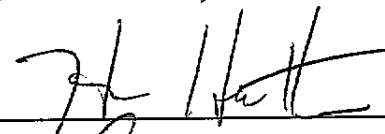
Title:


President

**SURVIVING CORPORATION:
PREFERRED HEALTHCARE
CONSULTANTS, INC.**

By:

Title:


President