

P95000093873

ARTICLES OF MERGER
Merger Sheet

MERGING:

SUMMA HEALTHCARE GROUP, INC., a Florida corporation, P95000093873

INTO

RAMSAY ACQUISITION CORP., a Delaware corporation not qualified in
Florida.

File date: October 9, 1997

Corporate Specialist: Joy Moon-French

Account number: 072100000032

Account charged: 70.00

P95000093873



ACCOUNT NO. : 072100000032

REFERENCE : 557972 4311859

AUTHORIZATION :

COST LIMIT *Patricia Pope*

ORDER DATE : October 8, 1997

ORDER TIME : 9:29 AM

ORDER NO. : 557972-005

CUSTOMER NO: 4311859

200002315852--8

CUSTOMER: Shawn Bannister, Legal Asst
Haythe & Curley
237 Park Ave.
20th Floor
New York, NY 10017-3142

ARTICLES OF MERGER

SUMMA HEALTHCARE GROUP, INC.

INTO

RAMSAY ACQUISITION CORP.

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

 CERTIFIED COPY
XX PLAIN STAMPED COPY

CONTACT PERSON: Daniel W Leggett
EXAMINER'S INITIALS

FILED
97 OCT -9 PM 2:33
RECEIVED
97 OCT -9 AM 10:01
DEPT. OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

1079

Jon Merger

ARTICLES OF MERGER
OF
SUMMA HEALTHCARE GROUP, INC.
WITH AND INTO
RAMSAY ACQUISITION CORP.

FILED

97 OCT -9 PM 2:33

SECRETARY OF STATE
TALLAHASSEE FLORIDA

To the Department of State
State of Florida:

Pursuant to the provisions of the Florida Business Corporation Act, the domestic business corporation and the foreign business corporation herein named do hereby adopt the following Articles of Merger:


1. Annexed hereto and made a part hereof is the Plan of Merger for merging Summa Healthcare Group, Inc., a Florida corporation, with and into Ramsay Acquisition Corp., a Delaware corporation, as adopted by the shareholders of each of said corporations on July 1, 1997.

2. The effective date and time of the merger herein provided for in the State of Florida shall be the date and time at which these Articles are filed by the Department of State of the State of Florida.

Executed on October 6th, 1997.


SUMMA HEALTHCARE GROUP, INC.

By


Name: LUIS LAMECA
Capacity: PRESIDENT

RAMSAY ACQUISITION CORP.

By


Name: BERT CIARAN
Capacity: PRESIDENT

PLAN OF MERGER

PLAN OF MERGER dated as of July 1, 1997, among Summa Healthcare Group, Inc., a Florida corporation (the "Company"), Ramsay Health Care, Inc., a Delaware corporation ("Ramsay"), and Ramsay Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Ramsay (the "Merger Subsidiary").

ARTICLE I. THE MERGER

SECTION 1.01 The Merger. (a) At the Effective Time (as defined in Section 1.01(b)), the Company shall be merged (the "Merger") with and into the Merger Subsidiary in accordance with the General Corporation Law of the State of Delaware ("Delaware Law") and the Florida Business Corporation Act ("Florida Law"), whereupon the separate existence of the Company shall cease, and the Merger Subsidiary shall be the surviving corporation (the "Surviving Corporation").

(b) As soon as practicable after the satisfaction or, to the extent permitted under that certain Agreement and Plan of Merger dated as of the date hereof (the "Agreement") among the Company, Ramsay and the Merger Subsidiary, waiver of all conditions to the Merger, the Company and the Merger Subsidiary will file a certificate of merger with the Secretary of State of the State of Delaware and articles of merger with the Department of State of the State of Florida and make all other filings or recordings required by Delaware Law or Florida Law in connection with the Merger. The closing of the Merger will take place at the offices of Haythe & Curley, 237 Park Avenue, New York, New York 10017, or such other place as the parties may agree. The Merger shall become effective at the later of (i) July 1, 1997, (ii) such time as a certificate of merger is duly filed with the Secretary of State of the State of Delaware, (iii) such time as articles of merger are duly filed with the Department of State of the State of Florida, or (iv) at such later time as is specified in such certificate of merger and articles of merger (the "Effective Time").

(c) From and after the Effective Time, the Surviving Corporation shall possess all the assets, rights, privileges, powers and franchises and be subject to all of the liabilities, restrictions, disabilities and duties of the Company and the Merger Subsidiary, all as provided under Delaware Law.

SECTION 1.02 Conversion of Shares. At the Effective Time:

(a) each outstanding share of common stock, par value \$.01 per share (the "Shares"), of the Company held by the Company as treasury stock or owned by Ramsay or any subsidiary of Ramsay immediately prior to the Effective Time shall be cancelled, and no payment (whether in cash, shares of Ramsay's common stock, par value \$.01 per share (the "Ramsay Common Stock"), or other consideration) shall be made with respect thereto;

(b) each share of common stock, par value \$.01 per share, of the Merger Subsidiary outstanding immediately prior to the Effective Time shall continue to be outstanding as one share of common stock, par value \$.01 per share, of the Surviving Corporation with the same rights, powers and privileges as such share had prior to the Effective Time and such shares shall constitute the only outstanding shares of capital stock of the Surviving Corporation;

(c) except as otherwise provided in Section 1.02(a), each Share outstanding immediately prior to the Effective Time shall be converted into the right to receive (i) 2,250.23 fully paid and nonassessable shares of Ramsay Common Stock, (ii) \$2,700.27 in cash and (iii) a warrant to purchase 4,500.45 shares of Ramsay Common Stock at an exercise price of \$3.25 per share (collectively, the "Warrants") (such Warrant together with such 2,250.23 shares of Ramsay Common Stock and such \$2,700.27 in cash are hereinafter referred to as the "Merger Consideration").

SECTION 1.03 Surrender and Payment. (a) Each holder of Shares that have been converted into a right to receive the Merger Consideration, upon surrender to Ramsay of a certificate or certificates representing such Shares, will be entitled to receive in exchange therefor (i) that number of whole shares of Ramsay Common Stock which such holder has the right to receive pursuant to Section 1.02, (ii) that amount of cash which such holder has the right to receive pursuant to Section 1.02, (iii) that number of Warrants which such holder has the right to receive pursuant to Section 1.02 and (iv) cash in lieu of fractional shares of Ramsay Common Stock which such holder has the right to receive pursuant to Section 1.04, and the certificate or certificates for the Shares so surrendered shall be cancelled. Until so surrendered, each such certificate shall, after the Effective Time, represent for all purposes, only the right to receive upon such surrender the Merger Consideration and cash in lieu of any fractional shares of Ramsay Common Stock as contemplated by this Section 1.03 and Section 1.04.

(b) If any shares of Ramsay Common Stock are to be issued to a Person (as defined below) other than the registered holder of the Shares represented by the certificate or certificates surrendered in exchange therefor, it shall be a condition to such issuance that the certificate or certificates so surrendered shall be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such issuance shall pay to Ramsay any transfer or other taxes required as a result of such issuance to a Person other than the registered holder of such Shares or establish to the satisfaction of Ramsay that such tax has been paid or is not payable. For purposes of this Plan of Merger, "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

(c) After the Effective Time, there shall be no further registration of transfers of Shares. If, after the Effective Time, certificates representing Shares are presented to the Surviving Corporation, they shall be cancelled and exchanged as provided for, and in accordance with the procedures set forth, in this Article I.

(d) No dividends or other distributions on shares of Ramsay Common Stock shall be paid to the holder of any unsundered certificates representing Shares until such certificates are surrendered as provided in this Section. Upon such surrender, there shall be paid, without interest, to the person in whose name the certificates representing the shares of Ramsay Common Stock into which such Shares were converted are registered, all dividends and other distributions paid in respect of such Ramsay Common Stock on a date subsequent to, and in respect of a record date after, the Effective Time.

SECTION 1.04 Fractional Shares. No fractional shares of Ramsay Common Stock or Warrants to purchase fractional shares of Ramsay Common Stock shall be issued in the Merger. All fractional shares of Ramsay Common Stock that a holder of Shares would otherwise be entitled to receive as a result of the Merger shall be aggregated and if a fractional share of Ramsay Common Stock results from such aggregation, such holder shall be entitled to receive, in lieu thereof, an amount in cash determined by multiplying the average of the daily closing sale price per share of Ramsay Common Stock on the Nasdaq National Market for the ten trading days immediately preceding the Effective Time by the fraction of a share of Ramsay Common Stock to which such holder would otherwise have been entitled. No such cash in lieu of fractional shares of Ramsay Common Stock shall be paid to any holder of Shares until certificates representing such Shares are surrendered and exchanged in accordance with Section 1.03. All Warrants to purchase fractional shares of Ramsay Common Stock that a holder of Shares would otherwise be entitled to receive as a result of the Merger shall be aggregated and if a Warrant to purchase a fraction of a share results from such aggregation (i) if such fraction is greater than or equal to 0.5, such holder shall be entitled to receive a Warrant to purchase one share of Common Stock in lieu thereof or (ii) if such fraction is less than 0.5, such holder shall not be entitled to receive any consideration therefor.

ARTICLE II. THE SURVIVING CORPORATION

SECTION 2.01 Certificate of Incorporation. The certificate of incorporation of the Merger Subsidiary in effect at the Effective Time shall continue to be the certificate of incorporation of the Surviving Corporation until amended in accordance with applicable law.

SECTION 2.02 Bylaws. The bylaws of the Merger Subsidiary in effect at the Effective Time shall continue to be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 2.03 Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with applicable law, (i) the directors of the Merger Subsidiary at the Effective Time shall continue to be the directors of the surviving corporation, and (ii) the officers of the Merger Subsidiary at the Effective Time shall continue to be the officers of the Surviving Corporation.

ARTICLE III. CONDITIONS TO THE MERGER

SECTION 3.01 Conditions to the Obligations of Each Party. The obligations of the Company, Ramsay and the Merger Subsidiary to consummate the Merger are subject to the satisfaction of the following conditions:

(i) no provision of any applicable law or regulation shall be enacted, entered, enforced or deemed applicable to the Merger, which makes the consummation of the Merger illegal, and no judgment, injunction, order or decree of a court of competent jurisdiction restraining or prohibiting the consummation of the Merger shall be in effect; and

(ii) the debt of Ramsay and its subsidiaries with respect to which consents of the lenders thereunder are required to consummate the Merger shall have been modified, amended, restructured, refinanced or repaid on terms reasonably satisfactory to the Board of Directors of Ramsay such that the Merger and the consummation of the other transactions contemplated by the Agreement shall be permitted under the terms of such debt.

SECTION 3.02 Conditions to the Obligations of Ramsay and Merger Subsidiary. The obligations of Ramsay and the Merger Subsidiary to consummate the Merger are subject to the satisfaction of the following further conditions:

(i) the Company shall have performed in all material respects all of its obligations under the Agreement required to be performed by it at or prior to the Effective Time, the representations and warranties of the Company contained in the Agreement shall be true in all respects at and as of the Effective Time as if made at and as of such time except for (A) changes contemplated by the Agreement, (B) those representations and warranties that address matters only as of a particular date, provided that such representations and warranties are true and correct as of such date, (C) changes in any law or regulation applicable to the Company or by which any property or asset of the Company is bound, and (D) changes arising out of general economic conditions or conditions generally affecting the health care or private correctional facility markets, and where the failure to be so true and correct would not have a Company Material Adverse Effect (as defined in the Agreement), and Ramsay shall have received a certificate signed by an executive officer of the Company to the foregoing effect; and

(ii) the Company shall have been released from any and all current and future liabilities and obligations relating to the Company car used by Isabel M. Diaz.

SECTION 3.03 Conditions to the Obligations of the Company. The obligations of the Company to consummate the Merger are subject to the satisfaction of the further conditions that Ramsay and the Merger Subsidiary shall have performed in all material respects all of their respective obligations under the Agreement required to be performed by them at or prior to the Effective Time, the representations and warranties of Ramsay and the Merger Subsidiary contained in the Agreement shall be true in all respects at and as of the

Effective Time as if made at and as of such time except for (A) changes contemplated by the Agreement, (B) those representations and warranties that address matters only as of a particular date, provided that such representations and warranties are true and correct as of such date, (C) changes in any law or regulation applicable to Ramsay or any of its subsidiaries or by which any property or asset of Ramsay or any of its subsidiaries is bound, and (D) changes arising out of general economic conditions or conditions generally affecting the health care market, and where the failure to be so true and correct would not have a Ramsay Material Adverse Effect (as defined in the Agreement), and the Company shall have received a certificate signed by an executive officer of each of Ramsay and the Merger Subsidiary to the foregoing effect.