

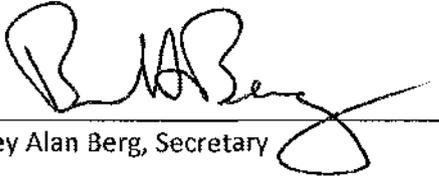
SECRETARY'S CERTIFICATE OF RESOLUTIONS
WDS Merger Sub

The undersigned, the duly elected or appointed secretary of WDS Merger Sub (the Company), a Washington corporation, hereby certifies on behalf of the Company as follows:

1. Attached hereto is a true, correct, and complete copy of the resolutions that were unanimously adopted by the board of directors of the Company at a meeting of the board held on February 8, 2013, at which a quorum was present and voting throughout, appointing certain officers, updating bylaws, and authorizing the implementation of the reorganization of Washington Dental Service as specified therein, including the merger of the Company into Washington Dental Service.

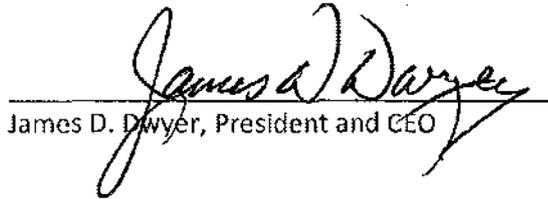
2. The attached resolutions have not been modified, rescinded, or amended since their adoption and are in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate on March 28, 2013.



Bradley Alan Berg, Secretary

I, James D. Dwyer, the undersigned and duly elected or appointed and duly qualified and acting president and chief executive officer of the Company, do hereby certify solely in my capacity as an officer of the Company and not in my individual capacity, on behalf of the Company, that Bradley Alan Berg is the duly elected or appointed and duly qualified and acting secretary of the Company and that the signature set forth above is his true, correct and genuine signature.



James D. Dwyer, President and CEO

RESOLUTIONS OF THE BOARD OF DIRECTORS OF
WDS MERGER SUB

The following resolutions were duly adopted by the board of directors of WDS Merger Sub, a Washington corporation, at a validly called meeting of the board of directors held on February 8, 2013:

Appointment of Officers

WHEREAS, the composition of the board of directors of directors of Washington Dental Service (“WDS”) has changed, and DD of Washington (“**Holding Company**”) in its capacity as sole member of WDS Merger Sub (“**Merger Sub**”) has taken action on the date hereof to make conforming changes in the composition of Merger Sub’s board of directors (as so re-composed, the “**Board**”), and the Board desires to make certain conforming changes in the officers of Merger Sub; **now, therefore, it is hereby**

RESOLVED, that the following persons are hereby appointed to serve in the specified office or offices until the next annual meeting of the Board or until such persons’ successors are appointed and qualified or until their earlier resignation or removal: (i) Joanna L. Lohkamp, Chairman of the Board; and (ii) James D. Dwyer, President and Chief Executive Officer, and Treasurer.

Updating of Bylaws

WHEREAS, since 2009, WDS’s bylaws have been amended in several respects on two occasions, and it is desirable to make conforming changes to the Bylaws of Merger Sub; **now, therefore, it is hereby**

RESOLVED, that the Amended and Restated Bylaws of Merger Sub in the form attached hereto as **Exhibit A** are hereby approved and adopted as the bylaws of Merger Sub.

Implementation of Reorganization

WHEREAS, Merger Sub was organized in July of 2009 for the purpose of participating in a reorganization of WDS into a traditional holding company structure, whereby: (i) Holding Company would be formed, to eventually serve as a holding company for WDS and other subsidiaries and investments; (ii) Merger Sub would be merged into WDS, which would thereafter itself be wholly controlled by Holding Company as its sole member and be governed by the pre-merger articles of incorporation and bylaws of Merger Sub (whose existence would otherwise be extinguished by the merger); and (iii) following the merger, WDS would elect to be reorganized under RCW Ch. 24.06 and would then transfer various of its investments and other assets up to Holding Company, to enable both WDS and Holding Company better to fulfill their not-for-profit missions (all such steps, taken together, the “**Reorganization**”); and

WHEREAS, implementation of the Reorganization as originally conceived would require: (i) an initial approval from the office of the Insurance Commissioner of the State of Washington ("**OIC**"), which had been obtained on July 7, 2009, as well as various subsequent filings by WDS with the OIC; (ii) an affiliate license to be granted to Holding Company by Delta Dental Plans Association, which was obtained on October 6, 2009; and (iii) obtaining a tax exemption for Holding Company under Sec. 501(c)(4) of the Internal Revenue Code, which was obtained on December 21, 2012; and

WHEREAS, having obtained most of the contemplated prerequisite approvals and permissions, the Board has considered the importance and necessity of implementing the Reorganization in light of the current market and regulatory environment, has consulted with its tax, regulatory, legal and other advisers, and has concluded that completion of the Reorganization is consistent with Merger Sub's stated purposes and is in the best interests of not only Merger Sub but also WDS and Holding Company and their shared missions as not-for-profit corporations; **now, therefore, it is hereby**

RESOLVED, that the Articles of Merger between WDS and Merger Sub in the form of **Exhibit B-1** attached hereto, and the Plan of Merger appended thereto in the form of **Exhibit B-2** attached hereto, are hereby approved by the Board, and the corporate officers are authorized and directed (i) to obtain similar approval of said documents from Holding Company in its capacity as the sole member of Merger Sub, and (ii) thereafter, at such time as the corporate officers may determine to their satisfaction that the Reorganization can be effectively implemented in a manner consistent with its original intended purposes, to execute said documents on behalf of Merger Sub and file the same with the agency or agencies of the State of Washington that are statutorily prescribed to receive such filings.



Bradley Alan Berg, Secretary
Certified this 28th day of March, 2013

AMENDED AND RESTATED

BYLAWS OF WDS MERGER SUB

ARTICLE I

MEMBERSHIP

SECTION 1. SOLE MEMBER

This corporation is formed for the initial purpose of entering into a merger (the "Merger") with and into Washington Dental Service ("WDS"), an existing Washington nonprofit corporation, ~~following which after the Merger WDS will be the surviving corporation~~ (under a new name, "Delta Dental of Washington") and will be governed by these Bylaws. As a result of the Merger, all members in good standing of WDS at the time of the Merger will automatically become members of DD of Washington, an existing Washington nonprofit corporation which will be renamed "Washington Dental Service" after the Merger (referred to as the "Sole Member"). The Sole Member is the only member of this corporation prior to the Merger, and following the Merger will be the sole member of the surviving corporation.

SECTION 2. VOTING RIGHTS OF SOLE MEMBER

The Sole Member will be a voting member, with voting rights as to: the election of directors; any amendment of the corporation's Articles of Incorporation; the Merger, and any other merger, consolidation or reorganization of the corporation; any sale, lease, exchange or other disposition ~~of the corporation's assets not in the ordinary course of business~~ all or substantially all of the property and assets of the corporation; and dissolution of the corporation.

ARTICLE II

MEMBERSHIP MEETINGS

SECTION 1. ANNUAL MEETINGS

An annual meeting of the Sole Member of the corporation shall be held at the corporation's principal office or such other convenient place, on a day and at a time designated by the Board, the Chair or the President and CEO. Notice, in the form of a record, in a tangible medium, or in an electronic transmission, stating the date, time, and place of each annual meeting shall be given to the Sole Member not less than ~~forty five (45)~~ thirty (30) nor more than fifty (50) days in advance by the Secretary.

Such additional matters as may be requested by a written petition signed by the Sole Member and presented to the Secretary at least twenty (20) days prior to the meeting shall also be included on the agenda. At the discretion of the Chair, items may be added to the agenda at any time. No business shall be transacted during an annual meeting unless it was placed on the agenda by the Chair of the Board or by a duly filed petition.

SECTION 2. SPECIAL MEETINGS

Special meetings of the Sole Member of this corporation may be held at the principal place of business or such other convenient place as may be designated by the Board of Directors. Special meetings may be called by a vote of a majority of the total Board of Directors or by a petition signed by the Sole Member of the corporation. Any such call or petition for a special meeting of the Sole Member must contain a description of the item or items to be discussed at that meeting.

Within thirty (30) days of a call by the Board of Directors or the receipt of a petition, the Secretary shall give not less than thirty (30) days notice in the form of a record, in a tangible medium, or in an electronic transmission, stating the time, date, place and agenda items for any special meeting to the Sole Member. Time shall be computed by excluding the first and including the last day of such notice. Personal delivery of the notice of the meeting or deposit of the same in the United States mail, with postage thereon fully prepaid, addressed to the Sole Member at the last address given the Secretary of the corporation, shall constitute due notice.

SECTION 3. QUORUM, MANNER OF ACTING, AND VOTING

The presence of the Sole Member, by duly authorized representative, shall constitute a quorum at any annual or special member meeting.

The affirmative vote of the Sole Member on any matter to be voted upon at a meeting at which a quorum is present shall be necessary for the adoption thereof.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. BOARD OF DIRECTORS

- A. **General Powers.** The affairs of the corporation shall be managed by its Board of Directors.
- B. **Size, Composition, Qualifications, Terms, Nomination and Election and Term.**
- (1) **Size and Composition.** The Board of Directors shall consist of at least ~~ten~~nine (10) ~~but not no~~ more than ~~fourteen~~ (14) ~~Directors, with an equal number of Member Directors and Public~~thirteen (13) Directors. The number of ~~directors~~Directors may at any time be increased or decreased within this range by the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent director. Independent Directors shall at all times after January 1, 2012 comprise a majority of incumbent Directors.
 - (2) **Qualifications.** The Board of Directors shall comprise three different categories of Directors, with the following qualifications:
 - (2a) **Qualifications Independent Directors.** Each ~~Member~~Independent Director must ~~be a member of the Sole Member~~ when elected and during

~~his or her term of office. A Member Director shall forfeit his or her office as a director upon loss of his or her membership in the Sole Member. Each Public Director (with the exception of: (i) satisfy the definition for an "independent" member of a governing body set forth in the instructions to Internal Revenue Service Form 990 (as it may be amended from time to time) or such other IRS definition of independence as Delta Dental Plans Association may from time to time reference in connection with its membership standards; (ii) not be the President and CEO) shall be a person who, when elected and during his or her term of office, is not a member of the Sole Member or otherwise an employee of the corporation; (iii) not be a member of the corporation, nor or an individual with a D.D.S. or D.M.D. degree; and who does (iv) not have a financial interest in any dental care organization. The President and CEO shall automatically be a member of the Board of Directors and is not required to be elected or re-elected. The President and CEO shall be a Public Director.~~

(b) Member Directors. Each Member Director must, when elected and during his or her term of office, be a member of the Sole Member; and shall forfeit his or her office as a Director upon loss of such membership under Section 3 of Article I of the Sole Member's bylaws.

(c) Ex Officio Director. The President and CEO shall, by virtue of holding such office, automatically be a member of the Board of Directors for the period that he or she holds such office.

(3) Congruent Boards. The Sole Member ~~will~~ shall elect to the Board of Directors the same individuals who, at any given time, have been elected or otherwise serve as Member Directors or ~~Public~~ Independent Directors of the Sole Member in accordance with its bylaws.

(4) Term. Each director shall be elected to serve a term of office that is coterminous with the Director's service on the Sole Member's board of directors.

C. Powers and Duties of the Board of Directors. Subject to the limitations contained in the Articles of Incorporation, these Bylaws, and the nonprofit corporation laws applicable to this corporation, all corporate powers shall be exercised by or under the authority of the Board of Directors including, but without limitation, the following:

(1) To select and remove the President and CEO of the corporation, prescribe his/her authority and duties, and fix his/her compensation.

(2) To conduct, manage and control the property and business of the corporation, and to make such rules and regulations therefor, as they may deem best advised.

(3) To fix the address of the principal office for the transaction of business of the corporation within the State of Washington and to fix and locate from time to time such subsidiary offices of the corporation as they may deem necessary or

convenient for transaction of the affairs of the corporation.

- (4) To call membership meetings both regular and special, and to determine what matters shall be submitted to such meetings on behalf of the Board of Directors.
- (5) To borrow money and incur indebtedness for the purpose of the corporation, and to cause to be executed and delivered therefor in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation of other evidence of debt and security therefor.
- (6) To set fees for service on the Board of Directors in accordance with these Bylaws.

D. Vacancies. As soon as practical after a vacancy in a Member Director or a ~~Publican~~ Independent Director position on the Board of Directors occurs, the ~~Board of Directors shall appoint~~ Sole Member shall elect a successor to serve the unexpired term of the original Member Director or ~~Public~~ Independent Director, ~~who shall be the same individual who is duly elected or appointed to fill the same vacancy on the Sole Member's board of directors, in accordance with its bylaws. in each such case in a manner consistent with Article III.1.B.3 above.~~

E. Meetings. The annual meeting of the Board of Directors shall be held annually on a date and at a time and location determined by the Board of Directors.

Regular meetings of the Board of Directors shall be held according to a schedule approved in advance by the Directors, but not less than once per calendar quarter unless an affirmative vote of 75% of the directors eliminates a meeting. No particular notice of a regular meeting is required.

Special meetings of the Board of Directors may be called by the Chair of the Board or by a majority vote of all directors. Notice of the date, time and place of such special meeting shall be furnished to each director not less than fifteen (15) days before the time of the meeting. Meetings of the Board of Directors shall be held at the principal office of the corporation or at any other convenient place determined by the Board of Directors.

Regardless of how called, a consent in the form of a record of all of the members of the Board of Directors to the holding of a meeting of the Board of Directors filed with the minutes of the meeting shall constitute sufficient call and notice of any meeting of the Board of Directors. A meeting so held shall have the same force and effect as if the meeting were regularly called upon notice as herein above provided.

A director will be subject to removal if he or she fails to attend at least seventy-five percent (75%) of the directors' meetings during each calendar year, unless excused by the Chair of the Board at his/her discretion.

F. Action by Consent in Lieu of Board Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the

Board of Directors execute a consent in the form of a record that describes the action to be taken. Such consent shall be filed with the minutes of the proceedings of the Board of Directors. Such action approved by consent shall have the same force and effect as a unanimous vote of the directors at a meeting duly held upon proper notice and may be described as such in any record. An action taken by consent shall be effective when the last director executes the consent, unless the consent specified a later effective date.

- G. Quorum, Manner of Acting and Voting.** A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business of any meeting of the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law or by these Bylaws. Each Director shall have one (1) vote except the Chair of the Board, who shall only vote in case of a tie. Proxies will not be allowed.
- H. Fees and Compensation.** Directors, as such, and officers of the corporation appointed pursuant to Article IV shall not receive any salary for their services, but shall receive reimbursement for expenses of attending any meetings of the Board of Directors and a reasonable fee to reimburse directors for the time spent attending those meetings. This fee shall be set taking into consideration prevailing industry practices and may be changed from time to time by the vote or written assent of a majority of the Board of Directors.
- I. Parliamentary Procedure.** Meetings of the Board of Directors shall be governed by parliamentary procedure as set forth in the current edition of Robert's Rules of Order.
- J. Reserves.** The Board of Directors may establish a revolving or reserve fund or funds to cover contingent obligations for paying for dental services and anticipated future needs of the corporation which are reasonably likely to occur. The Directors, in their discretion, shall invest or cause to be invested so much of such funds in securities or other investments consistent with applicable laws of the State of Washington as the directors determine to be in the best interest of the corporation.
- K. Removal of Director.** At a meeting duly called, either a Member Director or a ~~Public~~ Independent Director of this corporation may be removed from office for cause by, respectively, a two-thirds (2/3) affirmative vote of the other Member Directors then serving on the Board of Directors or of the other ~~Public~~ Independent Directors (~~other than the President and CEO~~) then serving on the Board of Directors. The call for such a meeting must state with reasonable specificity the cause(s) for removal. Cause for removal shall consist of a director's willful or negligent disregard of the duties assigned to him/her by law, by these Bylaws, or by the Board of Directors; breach of fiduciary duty as a director; and failure to timely disclose to the Board of Directors any conflict of interest involving the director and the corporation or any action of the corporation. In addition, termination of the ~~status~~ membership of a Member Director or ~~Public~~ Independent Director as a director pursuant to Article I of the Sole Member's bylaws shall also operate to remove him or her from office as a Member Director or ~~Public~~ Independent Director of the corporation, without further action by the Board of Directors.

L. Standing and Special Committees.

- (1) **General.** Standing or special committees to facilitate the conduct and effectiveness of the Board of Directors, but not having or exercising the authority of the Board of Directors in the management of the corporation, may be established in such a manner as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. The ~~Chair of the Board, in consultation with the President and CEO,~~ shall appoint members of any standing or special committee except for the ~~Governance and Nominating Committee and the Public~~Independent Directors on the Provider Compensation Committee. Any member of such a committee may be removed by the person or persons authorized to appoint him/her whenever in their judgment the best interests of the corporation would be served by such removal.
- (2) **Standing Committees** shall include the Audit Committee, the Governance and Nominating Committee and the Human Resources and Compensation Committee.
 - (a) **Audit Committee** shall assist the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the financial statements of the company ~~(and its subsidiaries and controlled affiliate entities)~~, of the company's compliance with legal and regulatory requirements, of the independence and qualifications of the independent auditor, and of the performance of the company's internal audit function and independent auditors. The Audit Committee will be comprised of three or more members as determined by the Board of Directors. Committee members ~~shall be appointed by the Board of Directors upon the recommendation of the Chair of the Board and~~ may be removed by the Board of Directors at its discretion. A majority of the committee shall consist of independent members who shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the committee. No person who is a member dentist of the Sole Member or has business dealings as a vendor or business partner of the corporation ~~(or any of its subsidiaries or controlled affiliate entities)~~ the Sole Member may be regarded as an independent member of the committee. All members of the committee shall have or obtain a sufficient familiarity with basic finance and accounting practices to allow them to discharge their responsibilities and at least one member shall be a financial expert. The Audit Committee shall be directly responsible for the appointment, compensation and oversight of the accounting firm conducting the annual audit of the corporation ~~(and its subsidiaries and controlled affiliate entities)~~, and shall meet at least annually with the accounting firm and report its findings and recommendations to the Board of Directors.
 - (b) **Governance and Nominating Committee** shall be comprised of at least five (5) members, including the Chair of the Board, as well as at least one of the other officers of the Board of Directors and such other additional

directors as may be appointed by the ~~Chair of the Board in consultation with the President and CEO~~ of Directors. At least three ~~Public~~ Independent Directors (other than the President and CEO) must be members of the Governance and Nominating Committee at any given time. The Governance and Nominating Committee shall recommend candidates for the Member Advisory Panel, and otherwise assist the Board of Directors by developing and recommending changes in the governance structure and processes that will improve board effectiveness.

- (c) **Human Resources and Compensation Committee** shall be comprised of non-management members of the Board of Directors and shall assist the Board of Directors in fulfilling its oversight responsibilities by formulating policy recommendations in such areas as compensation and benefits as specifically referred to the committee by the Board. The Human Resources and Compensation Committee shall periodically receive management updates on the corporation's human resources programs. The committee shall ensure that the senior executives of the corporation are compensated effectively in a manner consistent with the stated strategy of the corporation, competitive practices in the marketplace, any internal equity considerations, and any applicable legal or regulatory requirements. The committee also shall ensure the existence of an operative leadership succession plan that will perpetuate an effective management team for the corporation.
- (3) **Special Committees.** The Board of Directors may establish from time to time, special committees to aid them in managing the affairs of the corporation.
- (4) **Term of Office.** Each member of a standing committee shall continue as such until the next annual meeting of the Directors of the corporation and until a successor is appointed, unless these Bylaws provide otherwise, or unless the committee shall be terminated sooner, or unless such member be removed from the committee, or unless the member shall cease to qualify as a member of the committee.
- (5) **Chair.** One member of each committee shall be appointed chair by the person or persons authorized to appoint the members of that committee, except as otherwise provided in these Bylaws. All standing committees shall have a director as chair of the committee at all times unless otherwise directed by the Chair of the Board, in consultation with the President and CEO, because of unusual circumstances.
- (6) **Vacancies.** Vacancies in the membership of a committee may be filled by appointments made in the same manner as provided in the case of the original appointment. This action will be initiated within thirty (30) days of notification of a vacancy by the Chair of the Board or the President and CEO.
- (7) **Quorum.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a

quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

- (8) **Rules.** Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

M. Provider Compensation Committee.

- (1) **General.** Notwithstanding any other provision of these Bylaws, there is hereby established a Provider Compensation Committee (the "PC Committee"), which shall have ultimate authority and responsibility for those matters described below concerning compensation paid by the corporation to the Sole Member's members and other dentists. This Bylaw is an irrevocable delegation of authority over such matters by the Board of Directors to the Provider Compensation Committee (hereinafter the "PC Committee") pursuant to applicable corporations law.
- (2) **Size and Selection.** The Committee shall consist of five (5) directors, three (3) of whom shall be PublicIndependent Directors (~~other than the President and CEO~~) who shall be appointed from time to time by a majority vote of the PublicIndependent Directors (~~other than the President and CEO~~) then serving on the Board of Directors, and two (2) of whom shall be appointed by the ~~Chair of the Board of Directors~~.
- (3) **Removal and Vacancies.** A PC Committee member who is a Publican Independent Director may be removed from office only ~~beby~~ by a vote of two-thirds (2/3) of the other PublicIndependent Directors (~~other than the President and CEO~~) then serving on the Board of Directors. A PC Committee member who was appointed by the ~~Chair of the Board~~ may be removed from office by the ~~Chair of the Board~~ whenever, ~~in his or her judgment~~, the best interests of the corporation would be served by such a removal. Any vacancy created by the removal or resignation of a PC Committee member shall be filled, for the balance of his or her term, by the same method by which the former PC Committee member was appointed.
- (4) **Term.** Each PublicIndependent Director appointed to the PC Committee shall serve a term of office coterminous with his or her term of office as a director, unless such person is earlier removed from office or resigns. Each person appointed to the PC Committee by the ~~Chair of the Board~~ shall serve a term continuing until the next annual meeting of the Board of Directors and until his or her successor is duly appointed and qualified, unless the person is sooner removed from office or resigns.
- (5) **Meetings.** The PC Committee shall meet at least once annually, and more frequently when required to perform its functions. Meetings of the PC Committee may be called by the chair of the PC Committee or by any two (2) members of the PC Committee. Notice in the form of a record, in a tangible medium, or in an electronic transmission, stating the time and place of each such meeting shall be

furnished to each member of the PC Committee not less than five (5) days before the date of the meeting. Meetings of the PC Committee shall be held at the principal office of the corporation or at any other convenient place determined by the chair of the Committee.

- (6) **Procedures.** The PC Committee shall choose its own chair, who shall always be a ~~Public~~ Independent Director, and its own secretary. Meetings of the PC Committee shall be governed by parliamentary procedure as set forth in the most recent edition of Robert's Rules of Order. If the committee chair is elected Chair of the Board, that individual will resign as the Provider Compensation Committee chair and the remaining members of the PC Committee shall choose a different ~~Public~~ Independent Director as the PC Committee's new chair.
- (7) **Quorum, Manner of Acting and Voting.** Three members of the PC Committee shall constitute a quorum for the transaction of business at any meeting of the PC Committee, provided that at least two of such members must be ~~Public~~ Independent Directors. The act of a majority of PC Committee members present at a meeting at which a quorum is present shall be the act of the PC Committee, unless the act of a greater number is required by law or by these Bylaws. Each PC Committee member shall have one (1) vote. Proxies will not be allowed. Any action required or permitted to be taken by the PC Committee may be taken without a meeting if all members of the PC Committee execute a consent in the form of a record that describes the action to be taken and such action by consent shall have the same force and effect as a unanimous vote of the members of the PC Committee. All minutes of meetings of the PC Committee, and all such consents, shall be retained in the corporation's records.
- (8) **Powers and Duties of PC Committee.** The authority of the Board of Directors in the following matters is vested in, and shall be exercised by, the PC Committee:
 - (a) **Filed Fee Program.** The PC Committee shall undertake studies, from time to time, whether the Filed Fee Program used by the corporation pursuant to its standard Member Dentist Agreement (all capitalized terms not defined herein shall have the meanings given them in said form of agreement), as presently operated or with such changes as the PC Committee may have previously directed, enables the corporation to purchase dental services from the Sole Member's members and non-members at the most favorable terms, consistent with the corporation's need ~~of the corporation~~ to maintain and continue the size and composition of its active ~~network~~ networks, the quality of service from the providers within such population, and the degree of access to such dentists for those persons whose dental care coverage the corporation has assumed responsibility (hereinafter "enrollees"). After each such study, the PC Committee shall direct changes to any of the features of the corporation's Filed Fee Program described below that, in the PC Committee's judgment, will enable the corporation to obtain more

favorable terms from dentists who are members of the Sole Member and other dentists for services provided to the corporation's enrollees consistent with the foregoing considerations. Such changes may affect any of the following features of the Filed Fee Program:

- (i) The method of determination of the maximum fee for a particular procedure in a particular location that will be accepted in a proposed Survey of Fees at any time;
 - (ii) The method of determination of the intervals at which that maximum fee will be recalculated during the course of a year;
 - (iii) The method by which the Composite Index, if applicable, is calculated and applied in determining the acceptability of a proposed Survey of Fees at any time;
 - (iv) The method of determination of the intervals at which the Composite Index, if applicable, will be recalculated during the course of a year;
 - (v) The frequency with which a member of the Sole Member is permitted to file a new Survey of Fees to replace a previously-approved Survey of Fees or a previously-submitted Survey of Fees that was not approved by the corporation;
 - (vi) The method of determination of the amount of compensation paid to a dentist who is not a member of the Sole Member for service to one of the corporation's enrollees;
 - (vii) The method of determination of the maximum fee that the corporation will pay to a dentist who is not a member of the Sole Member for a particular service; and
 - (viii) The method of determination of the intervals at which the maximum fee for compensation of a dentist who is not a member of the Sole Member for a particular service will be recalculated.
- (b) **Other Compensation Programs.** The PC Committee shall assume responsibility for, and thereafter undertake studies and make changes to, any other program of compensation to professional providers of services to the corporation's enrollees that may be adopted by the corporation and referred to the PC Committee by the Board of Directors. The PC Committee shall from time to time make such changes in the terms and conditions of the compensation program that the PC Committee believes will enable the corporation to obtain more favorable compensation terms from providers in the future for services provided to enrollees, taking into consideration the corporation's need of the corporation to maintain and continue the size and composition of its active ~~network~~ networks

delivering those services, the quality of such services from the providers in the networks, and the degree of access to such providers for enrollees.

- (c) **Sensitive Price Information.** The PC Committee shall have the authority to require changes to the methods and manner in which the corporation receives, processes, analyzes, distributes, disseminates and uses fee and claims information submitted by dentists who are members of the Sole Member and other dentists in order to ensure the strict confidentiality of all such information and, in particular, consistent with state and federal laws and regulations, take reasonable steps to ensure that such information shall not be intentionally or inadvertently made available to other providers.
- (9) **Relation with Paid Assistants.** The President and CEO of the corporation and his or her staff shall report to and serve the PC Committee with respect to those matters within its jurisdiction as if the PC Committee was the Board of Directors; provided, however, that the PC Committee shall have no authority to alter the terms of employment of the President and CEO or any staff person. The President and CEO and staff shall implement any change directed by the PC Committee in accordance with these provisions and shall provide to the PC Committee such information, analyses, recommendations and other data from the corporation's records as may be appropriate or useful to the PC Committee's activities.
- (10) **Change in Contract Terms.** The corporation shall make no change in the terms of contracts with providers that establish or define the Filed Fee Program or any other program of compensation, without the prior consent of the PC Committee.
- N. **Attendance by Communications Equipment.** At the discretion of the Chair, Members of the Board of Directors or any committee may participate in a meeting of such Board or committee by means of any communications equipment which enables all persons participating in the meeting to hear each other simultaneously during the meeting. Individuals who join meetings via communications equipment must attend all discussions of any item on which they vote. In addition, the provision will not be available if its use presents an undue administrative burden. A Director or committee member who participates by means of communications equipment is deemed to be present in person at the meeting.
- O. **Joint Meetings with Sole Member's Board.** Meetings of the Board of Directors of this corporation may be held jointly or contemporaneously, with meetings of the Sole Member's board of directors, so long as the distinct matters considered and actions taken by each body are correctly and separately recorded in their separate minutes.

SECTION 2. MEMBER ADVISORY PANEL

- A. **General.** There shall be a Member Advisory Panel consisting of ten (10) to fifteen (15) members of the Sole Member who are from time to time selected by the Board of

Directors from a pool of candidates recommended by the Governance and Nominating Committee. No less than one (1) and no more than three (3) of the panel members must be Member Directors; each of the other individuals comprising the balance of the Member Advisory Panel must, at the time of his or her appointment thereto and during his or her term of service thereon, be a member in good standing of the Sole Member who is not a member of the Board of Directors. In recommending and appointing Member Directors or other individuals to serve on the Member Advisory Panel, the Governance and Nominating Committee and the Board of Directors shall also give due consideration to achieving a relative balance of geographic representation thereon. Individuals serving on the Member Advisory Panel must be willing to serve in such capacity, if so requested by the Board of Directors, for up to three (3) years, but shall remain at all times subject to replacement by the Board of Directors. The Member Advisory Panel shall meet at least three (3) times each year, on such dates and at such times and locations as may be designated by the Board of Directors, the Chair of the Board, or the President and CEO. A chair of the Member Advisory Panel shall be selected and appointed by the Chair of the Board, from among the Member Directors from time to time serving on the Member Advisory Panel.

B. Duties and Authority. The Member Advisory Panel shall not be deemed to be a committee or other organ of the Board of Directors; and shall have no power or authority, delegated or otherwise, to make any decisions, take any actions or incur any obligations on behalf of the corporation. As such, individuals serving on the Member Advisory Panel shall not, solely by reason of such service, owe any fiduciary obligations to the corporation or its Sole Member. The Member Advisory Panel shall, however, perform the following functions in good faith:

- (a) identifying and recommending to the Governance and Nominating Committee potential candidates for nomination to be elected as Member Directors;
- (b) consulting with and advising the PC Committee on such matters within the scope of that committee's powers and duties as the chair of the PC Committee may request; and
- (c) consulting with and advising the Board of Directors with respect to the formulation of policies relating to dental procedures, claims processing and adjudication, and relations with the dental profession, to the extent requested to do so by the Chair of the Board.

SECTION 3. INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

A. Right to Indemnification. Each person who was, is or is threatened to be made a named party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the corporation or served on the Member Advisory Panel of the corporation or, that being or

having been such a director officer or an employee of the corporation, he or she is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise (hereinafter an "indemnitee"), whether the basis of a proceeding is alleged action in an official capacity as such a director, officer, partner, trustee, employee, agent or panel member or in any other capacity while serving as such a director, officer, partner, trustee, employee, agent or panel member, shall be indemnified and held harmless by the corporation against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such indemnitee in connection therewith, and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, partner, trustee, employee, agent or panel member and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Except as provided in Section 3.D. of this Article III with respect to proceedings seeking to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the proceeding (or part thereof) was authorized or ratified by the Board of Directors. The right to indemnification conferred in this Section 3.A. shall be a contract right.

- B. Restrictions on Indemnification.** No indemnification shall be provided to any such indemnitee for acts or omissions of the indemnitee finally adjudged to be intentional misconduct or a knowing violation of law, for conduct of the indemnitee finally adjudged to be in violation of Section 23B.08.310 of the Washington Business Corporation Act, for any transaction with respect to which it was finally adjudged that such indemnitee personally received a benefit in money, property or services to which the indemnitee was not legally entitled, or if the corporation is otherwise prohibited by applicable law from paying such indemnification, except that if Section 23B.08.560 or any successor provision of the Washington Business Corporation Act is hereafter amended, the restrictions on indemnification set forth in this Section 3.B. shall be as set forth in such amended statutory provision.
- C. Advancement of Expenses.** The right to indemnification conferred in Section 3.A. of this Article III shall include the right to be paid by the corporation the expenses incurred in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"). An advancement of expenses shall be made upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 3.C.
- D. Right of Indemnitee to Bring Suit.** If a claim under Section 3.A. or 3.C. of this Article is not paid in full by the corporation within 60 days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part, in any such suit or in a suit brought by the

corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. The indemnitee shall be presumed to be entitled to indemnification under this Section 3. upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, where the required undertaking has been tendered to the corporation), and, thereafter, the corporation shall have the burden of proof to overcome the presumption that the indemnitee is so entitled.

- E. Procedures Exclusive.** Pursuant to Section 23B.08.560(2) or any successor provision of the Washington Business Corporation Act, the procedures for indemnification and advancement of expenses set forth in this Section 3. are in lieu of the procedures required by Section 23B.08.550 or any successor provision of the Washington Business Corporation Act.
- F. Nonexclusivity of Rights.** The right to indemnification and the advancement of expenses conferred in this Section 3 shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision of the Articles or the Bylaws of the corporation, by general or specific action of the Board of Directors, or by contract or otherwise.
- G. Insurance, Contracts and Funding.** The corporation may maintain insurance, at its expense, to protect itself and any director, officer, partner, trustee, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The corporation may enter into contracts with any director, officer, partner, trustee, employee or agent of the corporation in furtherance of the provisions of this Section 3 and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Section 3.
- H. Indemnification of Employees and Agents of the Corporation.** The corporation may, by action of the Board of Directors, grant rights to indemnification and advancement of expenses to employees and agents or any class or group of employees and agents of the corporation (a) with the same scope and effect as the provisions of this Section 3 with respect to the indemnification and advancement of expenses of directors and officers of the corporation, (b) pursuant to rights granted under, or provided by, the Washington Business Corporation Act, or (c) as are otherwise consistent with law.
- I. Persons Serving Other Entities.** Any person who, while a director, officer or employee of the corporation, is or was serving (a) as a director or officer of another foreign or domestic corporation of which a majority of the shares entitled to vote in the election of its directors is held by the corporation or (b) as a partner, trustee or otherwise in an executive or management capacity in a partnership, joint venture, limited liability company, trust or other enterprise of which the corporation or a wholly owned subsidiary of the corporation is a general partner or has a majority ownership shall be deemed to be so serving at the request of the corporation and entitled to indemnification and

advancement of expenses under Sections 3.A. and 3.C. of this Article.

ARTICLE IV

OFFICERS

SECTION 1. OFFICERS

The officers of the corporation shall be a Chair of the Board, Vice Chair, Secretary, Treasurer and such other officers as the Board of Directors may appoint from time to time at its discretion. No person may hold more than one (1) such office in the corporation at the same time. The President and CEO may not be elected to the offices of Chair of the Board or Vice Chair.

SECTION 2. TERMS AND ELECTION

The Chair of the Board, Vice Chair, Secretary and Treasurer shall be elected by the Board of Directors from among the Directors then in office at the annual meeting of the Board. The intent is that the Chair of the Board will serve up to two one-year terms, although a third term may be added upon a determination by the Governance and Nominating Committee and by the Board of Directors that such is necessary to assure continuity or address other extraordinary circumstances. The intent is further that the Vice Chair shall succeed to the office of Chair of the Board at completion of the term(s) of the current Chair. (The Chair of the Board shall be limited to a maximum of two terms), or when that post becomes vacant by resignation or other reason. The term of each office shall be until the next annual meeting of the Board of Directors and the election and qualification of successor. If any office becomes vacant for any reason, the Board of Directors shall, by majority vote, elect a successor who shall hold office for the unexpired term. Any officer may be removed during the term of his/her office by a vote of two-thirds (2/3) of the Board of Directors.

SECTION 3. DUTIES OF OFFICERS

A. Chair of the Board. The Chair of the Board shall preside at all meetings of the membership and at all meetings of the Board of Directors. He/she shall be subject to the control and direction of the Board of Directors. The Chair of the Board shall be an ex-officio member of all standing and special committees except the Audit Committee and the Provider Compensation Committee. The Chair of the Board shall have such other and further powers and duties as may be prescribed for him/her by the Board of Directors or these Bylaws.

The Chair of the Board shall have responsibility for liaison with staff officers between meetings of the Board to insure Board policies are carried out.

B. Vice Chair. In the absence or disability of the Chair of the Board, the Vice Chair shall perform the duties of the Chair of the Board and all the responsibilities of the Chair of the Board. In addition, the Board of Directors may fix and assign such duties for the office of Vice Chair as in its discretion it deems advisable, and the Chair of the Board may sub-delegate to the Vice Chair such of his/her authority as he/she believes is in the best interest of continuity of the office. The Vice Chair shall be an ex-officio member of all standing and special committees except the Provider Compensation Committee. The Vice Chair shall have such other and further powers

and duties as may be prescribed for him/her by the Board of Directors or these Bylaws.

The Vice Chair ~~willis intended to be~~ the successor to the office of Chair of the Board when that post becomes vacant by resignation, completion of term(s), or any other reason.

C. Secretary.

- (1) **Minutes.** The Secretary shall keep, or cause to be kept, a complete book of the minutes at the principal office of the corporation of all meetings of the Directors and of the members together with all calls and notices upon which meetings were held, a roster of all members, including the applications for membership of each member, and a record of payment or nonpayment of fees and assessments.
- (2) **Notices.** The Secretary shall give, or cause to be given, the notice of all meetings of membership as directed by these Bylaws and also notice of all annual, regular and special meetings of the Board of Directors of the corporation as directed by the Board, the Chair of the Board, or other officers authorized to call such meetings.

D. Treasurer. Subject to the direction and control of the Board of Directors, the Treasurer shall have the care and custody of and be responsible for all funds and investments of the corporation and shall cause to be kept regular books of account. Such books shall be kept current and shall be open to inspection by any officer or Director of the corporation. The Treasurer shall cause to be deposited all funds and other valuable effects in the name of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall cause to be prepared and shall submit a financial report at the annual meeting of the members and, in general, shall perform all of the duties incident to the office of the Treasurer.

ARTICLE V

PAID ASSISTANTS

SECTION 1. GENERAL

The Board is authorized to engage on behalf of the corporation all necessary employees and assistants, including certified public accountants, attorneys-at-law, and others in advancement of the affairs of the corporation. The Board shall have authority to arrange with such employees, assistants, certified public accountants and attorneys-at-law for payment by the corporation for their services.

SECTION 2. PRESIDENT AND CEO

The Board of Directors shall appoint, as President and chief executive officer of the corporation, the same individual who is at any given time appointed by the Sole Member's board of directors to serve as the president and chief executive officer of the Sole Member. He/she shall have general supervision, direction and control of the affairs of the corporation and its staff officers subject to the policies established by the Board of Directors and its Chair of the Board. He/she shall be a full-time employee of the Sole Member and the corporation and need not be a dental

licentiate of the State of Washington.

ARTICLE VI

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS

The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2. CHECK, DRAFTS, ETC.

All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or his/her staff designee, and countersigned by the Chair of the Board or the President and CEO of the corporation.

SECTION 3. DEPOSITS AND INVESTMENTS

All funds of the corporation shall be deposited or invested in a timely fashion to the credit of the corporation in such banks, trust companies or other depositories and investment vehicles as the Board of Directors may select.

SECTION 4. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or device for the general purposes or for any special purpose of the corporation.

ARTICLE VII

BOOKS AND RECORDS

The corporation shall keep correct and complete books of record and account and shall also keep minutes of the proceedings of its members and Board of Directors and shall keep at its registered or principal office a record giving the names and addresses of the members entitled to vote at any membership meetings. All such books and records of the corporation may be inspected by any member or his or her agent or attorney, for any proper purpose at any reasonable time upon reasonable advance notice.

ARTICLE VIII

WAIVER OF NOTICE

Wherever any notice is required to be given under the provisions of the applicable corporations

law, or under the provisions of the articles of incorporation or these Bylaws, a waiver of such notice in the form of a record executed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be deemed equivalent to the giving of such notice.

ARTICLE IX

CHANGES IN BYLAWS

These Bylaws may be amended or repealed by the vote of the Sole Member at a meeting or by assent of the Sole Member in the form of a record, provided that, any amendment or repeal of Sections 1.B, 1.D, 1.K, 1.L.2.b or 1.M of Article III, and any adoption of any Bylaw provision that would subject the ~~Public~~Independent Directors to rights, privileges, liabilities and duties different from those of other directors hereunder, shall, in addition, require the approval of at least a majority of the ~~Public~~Independent Directors (~~other than the President and CEO~~) then in office.

ARTICLE X

DISSOLUTION OF CORPORATION

Approval by the Sole Member is required for voluntary dissolution pursuant to applicable corporations law. Any assets remaining after payment of all just obligations of the corporation shall be distributed in accordance with the corporation's Articles of Incorporation.

ARTICLE XI

CONFLICT

Should any of these Bylaws be in conflict with any statutes, codes, rulings, or the Constitution of the State of Washington or of the United States of America, the particular section or part of any section shall become immediately inoperative. However, should any such conflict of any part of these Bylaws be declared, it shall not render the other Bylaws inoperative or void.

ARTICLE XII

ELECTRONIC TRANSMISSIONS

Notice to the Sole Member or to directors in electronic transmission is effective only with respect to members and directors who have consented, in the form of a record, to receive electronically transmitted notices and have designated the message format accessible to the member or director, and the address, location or system to which these notices may be electronically transmitted. The Sole Member or any director who has consented to receive electronically transmitted notices may revoke the consent by delivering a revocation to the corporation in the form of a record. The consent of the Sole Member ~~or~~or any such director is revoked if the corporation is unable to electronically transmit two consecutive notices given by the corporation in accordance with the consent.

ARTICLE XIII

TRANSITION

SECTION 1. EFFECTIVE DATE

~~These~~The adoption of these amended and restated Bylaws are hereby ~~adopted~~made effective as of _____, ~~2009~~2013.

~~DD of WASHINGTON, Sole Member~~

By _____
James D. Dwyer, President and CEO

**ARTICLES OF MERGER
FOR THE MERGER INTO
WASHINGTON DENTAL SERVICE
OF
WDS MERGER SUB**

Pursuant to RCW 24.03.200, the following Articles of Merger are executed, in duplicate, for the purpose of merging WDS Merger Sub, a Washington not-for-profit corporation organized under RCW Ch. 24.03 (the "*Disappearing Corporation*"), with and into Washington Dental Service, a Washington not-for-profit corporation organized under RCW Ch. 24.03 (the "*Surviving Corporation*").

1. The Plan of Merger is attached hereto as Exhibit A.
2. The Plan of Merger was duly approved on _____, ~~2010~~February 8, 2013 by both the unanimous vote of the Board of Directors of the Disappearing Corporation, and the affirmative vote of the Disappearing Corporation's sole member having voting rights with regard to the question.
3. The Plan of Merger was duly approved on _____, ~~2010~~February 8, 2013 by the unanimous vote of the Board of Directors of the Surviving Corporation. Approval of the Plan of Merger by members of the Surviving Corporation was not required, pursuant to RCW 24.03.195(2), since prior to the Merger it had no members having voting rights with regard to the question.
4. The Plan of Merger was also duly approved on February 8, 2013 by the unanimous vote of the Board of Directors of DD of Washington, a Washington not-for-profit corporation organized under RCW Ch. 24.03, which had no members prior to the merger but will, by virtue of its Articles of Incorporation and Bylaws and the terms of the Plan of Merger, succeed to the Surviving Corporation's list of members in good standing and itself become the sole member of the Surviving Corporation.
- 4~~5~~. The name of the Surviving Corporation shall remain "Washington~~be changed by operation of the merger to "Delta Dental Service of Washington"~~".
- 5~~6~~. The merger shall be effective at 12:01 a.m. on _____, ~~2010~~the day after these articles have been filed with both the Office of the Insurance Commissioner and the Secretary of State of the State of Washington (the "*Effective Time*").

WASHINGTON DENTAL SERVICE

By: _____
James D. Dwyer
President and Chief Executive Officer

WDS MERGER SUB

By: _____
James D. Dwyer
President and Chief Executive Officer

DD OF WASHINGTON

By: _____
James D. Dwyer
President and Chief Executive Officer

PLAN OF MERGER

This Plan of Merger (the "*Plan of Merger*") is made effective as of _____, 20102013 by and between Washington Dental Service, a Washington not-for-profit corporation organized under RCW Ch. 24.03 ("*WDS*"), and WDS Merger Sub, a Washington not-for-profit corporation organized under RCW Ch. 24.03 ("*MergerSub*"). WDS and MergerSub are sometimes referred to individually as a "*Constituent Corporation*" or collectively as the "*Constituent Corporations*."

RECITALS

WDS and MergerSub have, in conjunction with MergerSub's sole member, DD of Washington (also a Washington not-for-profit corporation organized under RCW Ch. 24.03, referred to as "*Holding Company*"), concluded that it is in the best interests of WDS and MergerSub, and their respective members, subscribers and other stakeholders, for MergerSub to be merged with and into WDS (the "*Merger*") as authorized by the laws of the State of Washington and pursuant to the terms and conditions of this Plan of Merger.

AGREEMENT

In consideration of the foregoing recitals, the covenants and agreements hereinafter set forth, and other good and valuable consideration, and for the purpose of prescribing the terms and conditions of the Merger, the parties agree as follows:

1. Merger; Effectiveness

(a) MergerSub shall be merged with and into WDS (which is hereinafter sometimes called the "*Surviving Corporation*"), pursuant to the applicable provisions of the Washington Nonprofit Corporation Act (RCW Ch. 24.03) and in accordance with the terms and conditions of this Plan of Merger.

(b) Upon the execution by each Constituent Corporation of Articles of Merger incorporating this Plan of Merger, and the filing of such Articles of Merger with the Secretary of State of the State of Washington, the Merger shall become effective at the date and time specified in the Articles of Merger so filed (the "*Effective Time*").

2. Name of Surviving Corporation

The name of the Surviving Corporation shall remain "Washington" ~~be changed by operation of the Merger to "Delta Dental Service of Washington"~~.

3. Articles of Incorporation

The Articles of Incorporation of MergerSub as in effect immediately prior to the Effective Time shall, upon and after the Effective Time, be the Articles of Incorporation of the

Surviving Corporation, subject to the change of name mentioned above and any subsequent amendment thereof as may be lawfully adopted. Differences between the respective Articles of Incorporation of MergerSub and WDS as they were in effect immediately prior to the Effective Time shall be deemed to be changes to the latter effected by the Merger.

4. Bylaws

The Bylaws of MergerSub in effect immediately prior to the Effective Time shall, upon and after the Effective Time, become the Bylaws of the Surviving Corporation.

5. Board of Directors; Officers

The directors and officers of WDS immediately prior to the Effective Time shall continue as the directors and officers of the Surviving Corporation.

6. Effect on Members

At the Effective Time, by virtue of the Merger, ~~WDS~~the Surviving Corporation will cease to have any members other than Holding Company, and all persons who were members in good standing of WDS immediately prior to the Effective Time will automatically become members of Holding Company, in accordance with Holding Company's Articles of Incorporation and Bylaws.

7. Effect on Rights, Assets, Liabilities and Obligations

At the Effective Time, the separate existence of MergerSub shall cease, and MergerSub shall be merged in accordance with the provisions of this Plan of Merger with and into the Surviving Corporation, which (a) shall possess all the properties and assets, choses in action and other interests, and all the rights, privileges, powers, immunities and franchises, of whatever nature and description, of or belonging to each of the Constituent Corporations, and (b) shall be subject to all debts due on whatever account, restrictions, disabilities, duties, liabilities and obligations of each of the Constituent Corporations. All such matters in the preceding clauses (a) and (b) shall be taken and deemed to be transferred to and vested in the Surviving Corporation without further act or deed; and the title to any real estate, or any interest therein, vested by deed or otherwise in either of the Constituent Corporations, shall be vested in the Surviving Corporation without reversion or impairment. Any claim existing or action or proceeding, whether civil, criminal or administrative, pending by or against either Constituent Corporation, may be prosecuted to judgment or decree as if the Merger had not taken place, and the Surviving Corporation may be substituted in any such action or proceeding. Neither the rights of creditors nor any liens upon the property of any Constituent Corporation shall be impaired by the Merger.

8. Implementation

(a) Each of the Constituent Corporations hereby agrees that at any time or from time to time as and when requested by the Surviving Corporation, or by its successors or assigns, it will so far as it is legally able, execute and deliver, or cause to be executed and delivered in its

name by its last acting officers, or by the corresponding officers of the Surviving Corporation, each of whom is hereby irrevocably appointed as attorney-in-fact for such purposes, all such conveyances, assignments, transfers, deeds or other instruments, and will take or cause to be taken such further or other actions as the Surviving Corporation, its successors or assigns, may deem necessary or desirable, in order to evidence the transfer, vesting and devolution of any property, right, privilege, power, immunity or franchise to the Surviving Corporation or its successors or assigns, or to vest or perfect in or confirm to the Surviving Corporation or its successors or assigns title to and possession of all the property, rights, privileges, powers, immunities, franchises and interests referred to in this Plan of Merger, or otherwise to carry out the intent and purposes hereof.

(b) Each of the Constituent Corporations shall take, or cause to be taken, all action or do, or cause to be done, all things necessary, proper or advisable under the laws of the State of Washington to consummate and make the Merger effective.

9. Termination and Amendment

This Plan of Merger may be terminated or amended by mutual action of the boards of directors of both WDS and MergerSub, at any time prior to the Effective Time.

WASHINGTON DENTAL SERVICE

By: _____
James D. Dwyer
President and Chief Executive Officer

WDS MERGER SUB

By: _____
James D. Dwyer
President and Chief Executive Officer