

J20717

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SECRETARY OF STATE
TALLAHASSEE FLORIDA

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CT CORPORATION SYSTEM

660 EAST JEFFERSON STREET

Requestor's Name
TALLAHASSEE, FL 32301

Address
222-1092

City State Zip Phone

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CORPORATION(S) NAME

Graystone Financial Services, Inc.

merging into:

GS Financial Services, Inc.

- | | | |
|--|---|---|
| <input type="checkbox"/> Profit | <input type="checkbox"/> Amendment | <input checked="" type="checkbox"/> Merger |
| <input type="checkbox"/> NonProfit | | |
| <input type="checkbox"/> Limited Liability Co. | | |
| <input type="checkbox"/> Foreign | <input type="checkbox"/> Dissolution/Withdrawal | <input type="checkbox"/> Mark |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Annual Report | <input type="checkbox"/> Other |
| <input type="checkbox"/> Reinstatement | <input type="checkbox"/> Reservation | <input type="checkbox"/> Change of R.A. |
| | | <input type="checkbox"/> Fictitious Name Filing |
| <input type="checkbox"/> Certified Copy | <input type="checkbox"/> Photo Copies | <input type="checkbox"/> CUS |
| <input type="checkbox"/> Call When Ready | <input type="checkbox"/> Call if Problem | <input type="checkbox"/> After 4:30 |
| <input checked="" type="checkbox"/> Walk In | <input type="checkbox"/> Will Wait | <input checked="" type="checkbox"/> Pick Up |
| <input type="checkbox"/> Mail Out | | |

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Merger

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DIVISION OF CORPORATION

Thanks,
JEF

J20717

ARTICLES OF MERGER
Merger Sheet

MERGING:

GRAYSTONE FINANCIAL SERVICES, INC., a Florida corporation, J20717

INTO

GS FINANCIAL SERVICES, INC., a Delaware corporation not qualified in
Florida.

File date: December 22, 1997

Corporate Specialist: Velma Shepard

**ARTICLES OF MERGER
OF
GRAYSTONE FINANCIAL SERVICES, INC.
(a Florida Corporation)**

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SECRETARY OF STATE
TALLAHASSEE FLORIDA

INTO

**GS FINANCIAL SERVICES, INC.
(a Delaware corporation)**

Pursuant to Section 607.1104 of the Florida Business Corporation Act, the undersigned corporations adopt the following articles of merger:

FIRST: Graystone Financial Services, Inc. is a corporation organized under the laws of the State of Florida owning 100 percent of the shares of GS Financial Services, Inc., a corporation organized under the laws of the State of Delaware.

SECOND: The following plan of merger was adopted by the board of directors of Graystone Financial Services, Inc.

1. The Plan of Merger was adopted by Graystone Financial Services, Inc., the parent corporation (the "Company") and GS Financial Services, Inc., the subsidiary (the "GS Financial") on the 15th day of October, 1997.

2. On the Effective Date, (i) each 100 outstanding shares of Company common stock, \$.0001 par value ("Company Common Stock") shall be converted into one share of GS Financial common stock, \$.001 par value, ("GS Financial Common Stock"), except for those shares of Company Common Stock with respect to which the holders thereof duly exercise their dissenters' rights under Florida law, (ii) any fractional GS Financial Common Stock interests to which a holder of Company Common Stock would be entitled will be canceled with the holder thereof being entitled to receive \$.002 per share of Company Common Stock not convertible into a whole share of GS Financial Common Stock (the "Cancellation Price") and (iii) each outstanding share of Company Common Stock held by the Company shall be retired and canceled and shall resume the status of an authorized and unissued GS Financial Common Stock.

All options and rights to acquire Company Common Stock under or pursuant to any options or warrants which are outstanding on the Effective Date of the Merger will automatically be

converted into equivalent options and rights to purchase that whole number of GS Financial Common Stock into which the number of Company Common Stock subject to such options or warrants immediately prior to the Effective Date would have been converted in the merger had such rights been exercised immediately prior thereto (with any fractional GS Financial Common Stock interest resulting from the exercise being settled in cash in the amount such holder would have received for any such fraction in the merger had he exercised such warrants or options immediately prior to the Merger). The option price per share of GS Financial Common Stock shall be the option price per share of Company Common Stock in effect prior to the Effective Date. All plans or agreements of the Company under which such options and rights are granted or issued shall be continued and assumed by GS Financial unless and until amended or terminated in accordance with their respective terms.

THIRD: The *pro rata* issuance of shares of the subsidiary to the holders of the shares of the parent corporation upon surrender of any certificates therefor is provided for as follows:

Prior to, or as soon as practicable, after the Effective Date, GS Financial shall mail to each person who was, at the time of mailing or at the Effective Date, a holder of record of issued and outstanding Company Common Stock (i) a form letter of transmittal and (ii) instructions for effecting the surrender of the certificate or certificates, which immediately prior the Effective Date represented issued and outstanding shares of Company Common Stock ("Company Certificates"), in exchange for certificates representing GS Financial Common Stock. Upon surrender of a Company Certificate for cancellation to GS Financial, together with a duly executed letter of transmittal, the holder of such Company Certificate shall be entitled to receive in exchange therefor a certificate representing that number of GS Financial Common Stock into which the Company Common Stock theretofore represented by the Company Certificate so surrendered shall have been converted pursuant to the provisions of the Plan of Merger; and the Company Certificate so surrendered shall forthwith be canceled.

No certificates or scrip representing fractional GS Financial Common Stock shall be issued upon the surrender for exchange of Company Certificates, no dividend or distribution of GS Financial shall relate to any fractional GS Financial Common Stock interest, and no such fractional share interest will entitle the owner thereof to vote or to any right of a stockholder of GS Financial. In lieu

thereof, GS Financial shall pay to each holder of Company Common Stock convertible into a fractional interest in GS Financial Common Stock the Cancellation Price.

FOURTH: Shareholders of the subsidiary who, except for the applicability of this section, would be entitled to vote and who dissent from the merger pursuant to Section 607.1320 F.S., may be entitled, if they comply with the provisions of this Act regarding the rights of dissenting shareholders, to be paid the air value of their shares.

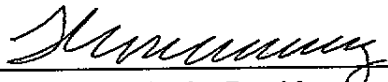
FIFTH: A copy or summary of the plan of merger was mailed by the parent corporation on the 10th day of November, 1997, to each shareholder of the subsidiary who did not waive the mailing requirement in writing.

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

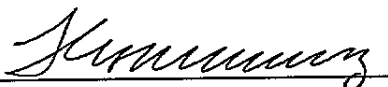
SEVENTH: The Articles of Incorporation of the parent corporation shall not be amended.

Signed this 16 day of December, 1997.

GRAYSTONE FINANCIAL SERVICES, INC.
Parent corporation

By: 
Thomas V. Ackerly, President

GS FINANCIAL SERVICES, INC.
Subsidiary

By: 
Thomas V. Ackerly, President

PLAN AND AGREEMENT OF MERGER

THIS PLAN AND AGREEMENT OF MERGER (hereinafter referred to as this "Agreement") dated as of October 15, 1997, is made and entered into by and between Graystone Financial Services, Inc. a Florida corporation ("Company") and GS Financial Services, Inc., a Delaware corporation ("GS Financial").

W-I-T-N-E-S-S-E-T-H:

WHEREAS, the Company is a corporation organized and existing under the laws of the State of Florida; and

WHEREAS, GS Financial is a wholly-owned subsidiary corporation of the Company, having been incorporated on September 9, 1997; and

NOW THEREFORE, in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Company shall be merged into GS Financial (the "merger") upon the terms and conditions hereinafter set forth.

ARTICLE I*Merger*

On December 9, 1997 as soon as practicable thereafter (the "Effective Date"); the Company shall be merged into GS Financial, the separate existence of the Company shall cease and GS Financial (following the Merger referred to as "GS Financial") shall continue to exist under the name of "GS Financial Services, Inc.," by virtue of, and shall be governed by, the laws of the State of Delaware. The address of the registered office of GS Financial in the State of Delaware will be The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of Newcastle, State of Delaware.

ARTICLE II*Certificate of Incorporation of GS Financial*

The Certificate of Incorporation of GS Financial Services, Inc. shall be the Certificate of Incorporation of GS Financial as in effect on the date hereof without change unless and until amended in accordance with applicable law.

ARTICLE III*By-Laws of GS Financial*

The By-Laws of GS Financial shall be the By-Laws of GS Financial as in effect on the date hereof without change unless and until amended or repealed in accordance with applicable law.

ARTICLE IV*Effect of Merger on Stock of Constituent Corporation*

4.01 On the Effective Date, (i) each 100 outstanding shares of Company common stock, \$.0001 par value ("Company Common Stock") shall be converted into one share of GS Financial common stock, \$.001 par value, ("GS Financial Common Stock"), except for those shares of Company Common Stock with respect to which the holders thereof duly exercise their dissenters' rights under Florida law, (ii) any fractional GS Financial Common

Stock interests to which a holder of Company Common Stock would be entitled will be canceled with the holder thereof being entitled to receive \$.002 per share of Company Common Stock not convertible into a whole share of GS Financial Common Stock (the "Cancellation Price") and (iii) each outstanding share of Company Common Stock held by the Company shall be retired and canceled and shall resume the status of an authorized and unissued GS Financial Common Stock.

4.02 All options and rights to acquire Company Common Stock under or pursuant to any options or warrants which are outstanding on the Effective Date of the Merger will automatically be converted into equivalent options and rights to purchase that whole number of GS Financial Common Stock into which the number of Company Common Stock subject to such options or warrants immediately prior to the Effective Date would have been converted in the merger had such rights been exercised immediately prior thereto (with any fractional GS Financial Common Stock interest resulting from the exercise being settled in cash in the amount such holder would have received for any such fraction in the merger had he exercised such warrants or options immediately prior to the Merger). The option price per share of GS Financial Common Stock shall be the option price per share of Company Common Stock in effect prior to the Effective Date. All plans or agreements of the Company under which such options and rights are granted or issued shall be continued and assumed by GS Financial unless and until amended or terminated in accordance with their respective terms.

4.03 (a) Continental Stock Transfer and Trust Company shall act as exchange agent in the Merger.

(b) Prior to, or as soon as practicable, after the Effective Date, GS Financial shall mail to each person who was, at the time of mailing or at the Effective Date, a holder of record of issued and outstanding Company Common Stock (i) a form letter of transmittal and (ii) instructions for effecting the surrender of the certificate or certificates, which immediately prior the Effective Date represented issued and outstanding shares of Company Common Stock ("Company Certificates"), in exchange for certificates representing GS Financial Common Stock. Upon surrender of a Company Certificate for cancellation to GS Financial, together with a duly executed letter of transmittal, the holder of such Company Certificate shall subject to paragraph (f) of this section 4.03 be entitled to receive in exchange therefor a certificate representing that number of GS Financial Common Stock into which the Company Common Stock theretofore represented by the Company Certificate so surrendered shall have been converted pursuant to the provisions of this Article IV; and the Company Certificate so surrendered shall forthwith be canceled.

(c) No dividends or other distributions declared after the Effective Date with respect to GS Financial Common Stock and payable to holders of record thereof after the Effective Date shall be paid to the holder of any unsurrendered Company Certificate with respect to GS Financial Common Stock which by virtue of the Merger are represented thereby, nor shall such holder be entitled to exercise any right as a holder of GS Financial Common Stock; until such holder shall surrender such Company Certificate. Subject to the effect, if any, of applicable law and except as otherwise provided in paragraph (f) of this Section 4.03, after the subsequent surrender and exchange of a Company Certificate, the holder thereof shall be entitled to receive any such dividends or other distributions, without any interest thereon, which became payable prior to such surrender and exchange with respect to GS Financial Common Stock represented by such Company Certificate.

(d) If any stock certificate representing GS Financial Common Stock is to be issued in a name other than that in which the Company Certificate surrendered with respect thereto is registered, it shall be a condition of such issuance that the Company Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the person requesting such issuance shall pay any transfer or other taxes required by reason of the issuance to a person other than the registered holder of the Company Certificate surrendered or shall establish to the satisfaction of GS Financial that such tax has been paid or is not applicable.

(a) After the Effective Date, there shall be no further registration of transfers on the stock transfer books of the Company of the Shares of Company Common Stock, or of any other shares of stock of the Company, which were outstanding immediately prior to the Effective Date. If after the Effective Date certificates representing such shares are presented to the "GS Financial" they shall be canceled and, in the case of Company Certificates, exchanged for certificates representing GS Financial Common Stock and, as appropriate, cash as provided in this Article IV.

(f) No certificates or scrip representing fractional GS Financial Common Stock shall be issued upon the surrender for exchange of Company Certificates, no dividend or distribution of GS Financial shall relate to any fractional GS Financial Common Stock interest, and no such fractional share interest will entitle the owner thereof to vote or to any right of a stockholder of GS Financial. In lieu thereof, GS Financial shall pay to each holder of Company Common Stock convertible into a fractional interest in GS Financial Common Stock the Cancellation Price.

ARTICLE V

Corporate Existence, GS Financial and Liabilities of GS Financial

5.01 On the Effective Date, the separate existence of the Company shall cease. The Company shall be merged with and into GS Financial, GS Financial, in accordance with the provisions of this Agreement. Thereafter, GS Financial shall possess all the rights, privileges, powers and franchises as well of a public as of a private nature, and shall be subject to all the restrictions, disabilities and duties of each of the parties to this Agreement and all and singular; the rights, privileges, powers and franchises of the Company and GS Financial, and all property, real, personal and mixed, and all debts due to each of them on whatever account, shall be vested in GS Financial; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter an effectually the property of GS Financial, as they were of the respective constituent entities, and the title to any real estate whether by deed or otherwise vested in the Company and GS Financial or either of them, shall not revert to be in any way impaired by reason of the Merger; but all rights of creditors and all liens upon any property of the parties hereto, shall be preserved unimpaired, and all debts, liabilities and duties of the respective constituent entities, shall thenceforth attach to GS Financial, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

5.02 The Company agrees that it will execute and deliver, or cause to be executed and delivered, all such deeds, assignments and other instruments, and will take or cause to be taken such further or other action as GS Financial may deem necessary or desirable in order to vest in and confirm to GS Financial title to and possession of all the property, rights, privileges, immunities, powers, purposes and franchises, and all and every other interest, of the Company and otherwise to carry out the intent and purposes of this Agreement.

ARTICLE VI

Officers and Directors of GS Financial

6.01 Upon the Effective Date, the officers and directors of GS Financial shall be officers and directors of GS Financial in office at such date, and such persons shall hold office in accordance with the By-Laws of GS Financial or until their respective successors shall have been appointed or elected.

6.02 If, upon the Effective Date, a vacancy shall exist in the Board of Directors of GS Financial, such vacancy shall be filled in the manner provided by its By-Laws.

ARTICLE VII

Approval by Shareholders; Amendment; Effective Date

7.01 This Agreement and the Merger contemplated hereby are subject to approval by the requisite vote of shareholders in accordance with applicable Florida law. As promptly as practicable after approval of this Agreement by shareholders in accordance with applicable law, duly authorized officers of the respective parties shall make and execute Articles of Merger and a Certificate of Merger and shall cause such documents to be filed with the Secretary of State of Florida and the Secretary of State of Delaware, respectively, in accordance with the laws of the States of Florida and Delaware. The Effective Date of the Merger shall be the date on which the Merger becomes effective under the laws of Florida or the date on which the Merger becomes effective under the laws of Delaware, whichever occurs later.

7.02 The Board of Directors of the Company and GS Financial may amend this Agreement at any time prior to the Effective Date, provided that an amendment made subsequent to the approval of the merger by the shareholder of Company shall not (1) alter or change the amount or kind of shares to be received in exchange for or on conversion of all or any of the Company Common Stock (2) alter or change any term of the Certificate of Incorporation of GS Financial, or (3) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of Company Common Stock.

ARTICLE VIII

Termination of Merger

This Agreement may be terminated and the Merger abandoned at any time prior to the filing of this Agreement with the Secretary of State of Florida and the Secretary of State of Delaware, whether before or after shareholder approval of this Agreement, by the consent of the Board of Directors of the Company and GS Financial.

ARTICLE IX

Miscellaneous

In order to facilitate the filing and recording of this Agreement, this Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, all as of the day and year first above written.

GRAYSTONE FINANCIAL SERVICES, INC.
a Florida corporation

By: 
Thomas V. Ackerly, President

GS FINANCIAL SERVICES, INC.
a Delaware corporation

By: 
Thomas V. Ackerly, President