

**FILED/EFFECTIVE**

**ARTICLES OF MERGER**

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OF ***BAY SHORE SYSTEMS, INC.***, A California Corporation  
STATE OF IDAHO

INTO ***BAY SHORE SYSTEMS, INC.***, An Idaho Corporation



Pursuant to the provisions of the Idaho Business Corporation Act, the undersigned domestic and foreign corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

FIRST: The names of the undersigned corporations and the States under the laws of which they are respectively organized are:

Name of Corporation

State of Incorporation

Bay Shore Systems, Inc.

California

Bay Shore Systems, Inc.

Idaho

SECOND: The laws of the state under which such foreign corporation is organized permit such merger.

THIRD: The name of the surviving corporation is Bay Shore Systems, Inc., and it is to be governed by the laws of the state of Idaho.

FOURTH: The following Plan of Merger was recommended by the Board of Directors and approved by the share-holders of the undersigned domestic corporation in the manner prescribed by the Idaho Business Corporation Act, and subsequently approved by the undersigned foreign corporation in the manner prescribed by the laws of the State under which it is organized:

IDAHO SECRETARY OF STATE

02/23/2001 09:00  
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**FIFTH:** As to each of the undersigned corporations, the number of shares outstanding are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Outstanding</u>
Bay Shore Systems, Inc.(California)	4,000
Bay Shore Systems, Inc.(Idaho)	5,000

All shares of each corporation are of one class with equal voting rights.

**SIXTH:** As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Total Voted For</u>	<u>Number of Shares Total Voted Against</u>
Bay Shore Systems, Inc.(California)	4,000	-0-
Bay Shore Systems, Inc.(Idaho)	5,000	-0-

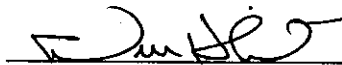
DATED: February 21, 2001.

BAY SHORE SYSTEMS, INC.,  
an Idaho Corporation



By: WILLIAM H. MINATRE Pres  
Its — President

BAY SHORE SYSTEMS, INC.,  
a California Corporation

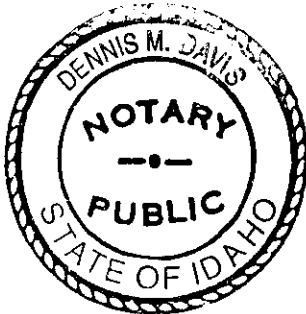


By: WILLIAM H. MINATRE  
Its — President

STATE OF IDAHO )  
 )ss.  
County of Kootenai )

On this 21st day of February, 2001, before me, a Notary Public in and for the State of Idaho, personally appeared William H. Minatre, known or identified to me to be the President of BAY SHORE SYSTEMS, INC., an Idaho corporation, who executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

SUBSCRIBED and SWORN to before me as of the day and year in this certificate first above written.



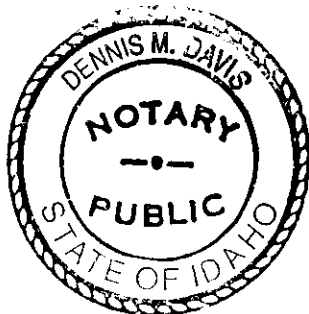
A handwritten signature of Dennis M. Davis in cursive script.

Dennis M. Davis  
Notary Public in and for the State of Idaho  
Residing at: Coeur d'Alene  
Commission expires: 8-20-05

STATE OF IDAHO )  
 )ss.  
County of Kootenai )

On this 21st day of February, 2001, before me, a Notary Public in and for the State of Idaho, personally appeared William H. Minatre, known or identified to me to be the President of BAY SHORE SYSTEMS, INC., a California corporation, who executed the foregoing instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

SUBSCRIBED and SWORN to before me as of the day and year in this certificate first above written.



A handwritten signature of Dennis M. Davis in cursive script.

Dennis M. Davis  
Notary Public in and for the State of Idaho  
Residing at: Coeur d'Alene  
Commission expires: 8-20-05

**FILED/EFFECTIVE**

**PLAN AND AGREEMENT OF MERGER**

Between

***BAY SHORE SYSTEMS, INC.***

An Idaho Corporation  
(The Surviving Corporation)

and

***BAY SHORE SYSTEMS, INC.***

A California Corporation  
(The Merging Corporation)

01 FEB 22 AM 10:40

SECRETARY OF STATE  
STATE OF IDAHO



PLAN AND AGREEMENT OF MERGER, dated the 21st day of February, 2001, between Bay Shore Systems, Inc., an Idaho corporation (hereinafter referred to as "Bay Shore Systems," and sometimes referred to as the "Surviving Corporation", and Bay Shore Systems, Inc, a California corporation (hereinafter referred to as the "Merging Corporation"), which two corporations are hereinafter sometimes referred to as the "Constituent Corporations".

**FIRST**  
**RECITALS**

Bay Shore Systems is validly organized, existing and in good standing under the laws of the state of Idaho. The Merging Corporation is validly organized, existing and in good standing under the laws of the state of California.

Bay Shore Systems has an authorized capital of 50,000 shares of Common Stock with no par value, of which on the 21st day of February, 2001, Five Thousand (5,000) shares were issued and outstanding.

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The Merging Corporation has an authorized capital of 50,000 shares of Common Stock with no par value, of which on the date of execution of this Agreement Four Thousand (4,000) shares were issued and outstanding.

The Board of Directors of the Constituent Corporations deem it advisable and in the best interests of their respective corporations and stockholders that the Merging Corporation merge with and into Bay Shore Systems, in accordance with the provisions of applicable statutes of both the state of Idaho and the state of California, and have entered into this Agreement of Merger in connection with the merger.

It is the intent of this agreement that the California corporation, Bay Shore Systems, Inc., be reincorporated in the state of Idaho as an Idaho corporation, and that the parties intend to accomplish said conversion from a California corporation to an Idaho corporation as a tax free reorganization pursuant to the Internal Revenue Code. The parties further intend that the Idaho corporation acquire the assets of, and take over the business of, California corporation with no change or disruption of said business.

## SECOND AGREEMENT OF MERGER

NOW, THEREFORE, the Constituent Corporations agree, each with the other, to merge into a single corporation which shall be Bay Shore Systems, Inc., an Idaho corporation, the Surviving Corporation, pursuant to the laws of both the state of Idaho and the state of California, and agree upon and prescribe the terms and conditions of the statutory merger, the mode of carrying it into effect and the manner and basis of converting the shares of the Merging Corporation into shares of the Surviving Corporation, as herein set forth:

On the effective date of the merger, the Merging Corporation shall be merged with and into Bay Shore Systems, Inc., an Idaho corporation, and the separate existence of the Merging Corporation shall cease; the Constituent Corporations shall become a single corporation named "Bay Shore Systems, Inc.", an Idaho corporation, which shall be the Surviving Corporation.

### THIRD

#### ARTICLES OF INCORPORATION OF SURVIVING CORPORATION

The Articles of Incorporation of Bay Shore Systems,

shall continue to be the Articles of Incorporation of the Surviving Corporation until further amended in accordance with the Corporation Law of the state of Idaho.

### FOURTH

#### BY-LAWS OF SURVIVING CORPORATION

The By-Laws of Bay Shore Systems, in effect immediately prior to the effective date of the merger shall continue to be the By-Laws of the Surviving Corporation, until altered or repealed in the manner provided by law and such By-Laws.

### FIFTH

#### DIRECTORS AND OFFICERS OF SURVIVING CORPORATION

The Directors and Officers of Bay Shore Systems, immediately prior to the effective date of the merger shall continue to be the Directors of the Surviving Corporation, to hold office for the terms specified in the By-Laws of the Surviving Corporation and until their respective successors are duly elected and qualified.

### SIXTH

#### MANNER AND BASIS OF CONVERSION OF SHARES

The treatment of the shares of Bay Shore Systems, the manner of converting the shares of the Merging Corporation into shares of common stock of the Surviving Corporation, and the treatment of outstanding options to purchase shares of the Merging Corporation, if any, shall be as follows:

1. Each share of Common Stock of Bay Shore Systems, which is issued and outstanding or in its treasury immediately prior to the effective date of the merger shall not be affected, converted, or exchanged as a result of the merger, and shall continue to be one fully paid and nonassessable share of the Surviving Corporation's Common Stock with no par value.

2. Each share of the Merging Corporation's Common Stock, which is issued and outstanding immediately prior to the effective date of the merger, shall by virtue of the merger be converted into and become, without action on the part of the holder of such Common Stock, one fully paid and nonassessable share of Common Stock of the Surviving Corporation.

3. As soon as practicable after the effective date of the merger, each holder of outstanding certificates for Common Stock theretofore issued by the Merging Corporation shall be entitled, upon surrender of the same by such holder for cancellation, as directed by the Surviving Corporation, to receive new certificates for the number of shares of Common Stock of the Surviving Corporation to which he is entitled.

#### SEVENTH EFFECT OF MERGER

On the effective date of the merger, the Surviving Corporation shall possess all the rights, privileges, powers, and franchises of a public as well as a private nature of each of the Constituent Corporations, and shall become subject to all the restrictions, disabilities and duties of each of the Constituent Corporations and all the singular rights, privileges, powers and franchises of each of the Constituent Corporations. All property, real, personal and mixed, and debts due to each of the Constituent Corporations on whatever account, including stock subscriptions as well as all other things in action or belonging to each of the Constituent Corporations shall be vested in the Surviving Corporation; and all property, assets, rights, privileges, powers, franchises and immunities, and all

and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the respective Constituent Corporations, and the title to any real estate vested by deed or otherwise, in either of the Constituent Corporations, shall not revert or be in any way impaired by reason of the merger; provided, however, that all of the creditors and liens upon any property of either of the Constituent Corporations, shall not revert or be in any way impaired by reason of the merger; provided, however, that all of the creditors and liens upon any property of either of the Constituent Corporations shall be preserved unimpaired, and all the debts, liabilities, obligations and duties of the respective Constituent Corporations shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities, obligations and duties had been incurred or contracted by it.

If at any time after the merger becomes effective it shall appear to the Surviving Corporation that any further assignments or assurances are necessary or desirable to evidence the vesting in the Surviving Corporation of the title to any of the property or rights of the Merging Corporation, those persons who were proper officers and directors of the Merging Corporation as of the effective date of the merger shall execute, acknowledge and deliver such assignments or other instruments and do such acts as may be necessary or appropriate to evidence the vesting of title to such property or rights in the Surviving Corporation. For such purposes the capacity and authority of the Merging Corporation and its officers shall be deemed to be continuing.

#### EIGHTH ACCOUNTING

When the merger becomes effective, subject to such changes, adjustments or eliminations as may be made in accordance with generally accepted accounting principles, the assets and liabilities of the Constituent Corporations shall be recorded in the accounting records of the Surviving



Corporation at the amounts at which they shall be carried at that time in the accounting records of the Constituent Corporations.

NINTH  
REPRESENTATIONS AND WARRANTIES

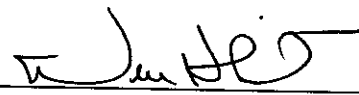
Bay Shore Systems, and the Merging Corporation each represents and warrants to the other that between the date hereof and the time which the merger becomes effective they will not enter into any employment contracts, grant any stock options or issue any stock or securities, except upon the exercise of presently outstanding restricted stock options, or declare or pay any dividends in stock or cash or make any other distribution on or with respect to their outstanding stock.

TENTH  
EFFECTIVE DATE

The effective date of the merger provided for by this Agreement shall be February 28, 2001.

IN WITNESS WHEREOF, the undersigned Officers have signed their names hereto and have caused their respective corporate seals of the Constituent Corporations to be affixed hereto the 21st day of February, 2001.

**BAY SHORE SYSTEMS, INC.,**  
**an Idaho corporation**  
**(the "Surviving Corporation")**

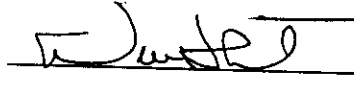
  
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By: WILLIAM H. MINATRE *Pres*  
President or Vice-President

ATTEST:

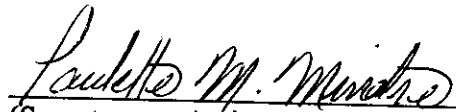
  
\_\_\_\_\_  
(Secretary or Assistant Secretary)

**BAY SHORE SYSTEMS, INC.,**  
**a California corporation**  
**(the "Merging Corporation")**



By: William H. MINATRE PRES.  
President or Vice-President

ATTEST:

  
(Secretary or Assistant Secretary)