

F44200

ARTICLES OF MERGER
Merger Sheet

MERGING:

IHS ACQUISITION XXIV, INC., a Florida corporation, P97000057794

INTO

ROTECH MEDICAL CORPORATION, a Florida corporation, F44200

File date: October 21, 1997

Corporate Specialist: Joy Moon-French

Account number: 072100000032

Account charged: 175.00



THE UNITED STATES
CORPORATION
COMPANY

F44 200

ACCOUNT NO. : 072100000032

REFERENCE : 572938 80354A

AUTHORIZATION : *Patricia Pyg*

COST LIMIT : \$ ~~122.50~~ 175.00

ORDER DATE : October 21, 1997

ORDER TIME : 2:59 PM

ORDER NO. : 572938-005

100002326241--2

CUSTOMER NO: 80354A

CUSTOMER: Thomas A. Simser, Esq
Winderweedle Haines Ward &
Suite 1490
P.O. Box 1391
Orlando, FL 32802

ARTICLES OF MERGER

ROTECH MEDICAL CORPORATION

INTO

IHS ACQUISITION XXIV, INC.

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX _____ CERTIFIED COPY - *Need 2 -*
_____ PLAIN STAMPED COPY

CONTACT PERSON: Lori R. Dunlap

EXAMINER'S INITIALS:

10/22
Jon
Merger
C.C

FILED
97 OCT 21 PM 4:16
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RECEIVED
97 OCT 21 PM 3:32

STATE OF FLORIDA
ARTICLES OF MERGER
OF
IHS ACQUISITION XXIV, INC.
A FLORIDA CORPORATION
INTO
ROTECH MEDICAL CORPORATION
A FLORIDA CORPORATION

FILED

97 OCT 21 PM 4: 16

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1105 of the Florida Business Corporation Act (the "FBCA"), the undersigned corporations adopt the following articles of merger:

FIRST: The plan of merger is as follows:

(1) The names of the constituent corporations planning to merge are IHS Acquisition XXIV, Inc. ("IHS XXIV") and RoTech Medical Corporation ("RoTech"), and the name of the surviving corporation into which each constituent corporation plans to merge is RoTech Medical Corporation, which is hereinafter designated as the surviving corporation:

(2) The terms and conditions of the proposed merger are as follows;

Following the effective time of merger, the separate existence of IHS XXIV shall cease, and RoTech shall continue as the surviving corporation in the merger as a business corporation incorporated under the laws of the State of Florida under the name "RoTech Medical Corporation" and shall succeed to and assume all the rights and obligations of IHS XXIV and RoTech in accordance with the FBCA.

(3) The manner and basis of converting the shares of each constituent corporation into shares, obligations or other securities of the surviving corporation or any other corporation or, in whole or part, into cash or other property, and the manner and basis of converting rights to acquire shares, obligations, or other securities of the surviving or any other corporation into rights to acquire shares, obligations, or other securities of the surviving or any other corporation or, in whole or in part, into cash or other property, is as follows:

(a) Each share of capital stock of IHS XXIV issued and outstanding immediately prior to the effective time of merger, without any action on the part of the holder thereof, shall, at the effective time of merger, be converted into one fully paid and nonassessable share of common stock, par value \$.01 per share, of the surviving corporation.

(b) Each share of RoTech Common Stock, \$.0002 par value ("RoTech Common Stock") that is owned by RoTech or any wholly owned subsidiary of RoTech immediately prior to the effective time of merger shall, at the effective time of merger, automatically be canceled and retired and shall cease to exist.

(c) Each other share of RoTech Common Stock issued and outstanding immediately prior to the effective time of merger, without any further action by the holder thereof, shall, at the effective time of merger, be converted into the right to receive, and become exchangeable for, a merger consideration consisting of .5806 validly issued, fully paid and nonassessable shares of common stock, \$.001 par value, of Integrated Health Services, Inc. ("IHS Common Stock"); provided that in lieu of the issuance of any fractional shares of IHS Common Stock, cash (without interest) shall be delivered to each holder of any fractional shares in an amount equal to (x) the fractional part of a share of IHS Common Stock into which the shares of RoTech Common Stock otherwise would be converted (y) multiplied by the average closing New York Stock Exchange price of such IHS Common Stock for the thirty (30) trading day period ending on the date which is two (2) trading days prior to the effective time of the merger.

(d) As of the effective time of the merger, by virtue of the merger and without any action on the part of the participants therein, each option to purchase shares of RoTech Common Stock that is outstanding immediately prior to the effective time of the merger ("RoTech Options"), whether or not exercisable, shall be replaced by a substitute option to purchase that number of shares of IHS Common Stock equal to the number of shares of RoTech Common Stock subject to such option multiplied by .5806 at an exercise price per share of IHS Common Stock equal to the option price per share of RoTech Common Stock subject to such option in effect immediately prior to the effective time of merger divided by .5806.

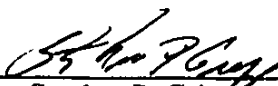
(e) As of the effective time of merger, each warrant to purchase shares of RoTech Common Stock (each, a "RoTech Warrant") then outstanding shall remain outstanding and shall be deemed to be a warrant to purchase, in place of the shares of RoTech Common Stock previously subject to such RoTech Warrant, that number of shares of IHS Common Stock equal to the product of the number of shares of RoTech Common Stock subject to such RoTech Warrant, and not exercised prior the effective time of the merger, multiplied by .5806. The exercise price per share shall be equal to the exercise price per share under the RoTech Warrant divided by .5806.

SECOND: The effective date of the merger is the date of filing of these articles of merger.

THIRD: The plan of merger was adopted by the shareholders of IHS XXIV, a Florida corporation, on the 21st day of October, 1997, and was adopted by the shareholders of RoTech, a Florida corporation, on the 21st day of October, 1997.

Signed as of the 21st day of October, 1997.

ROTECH MEDICAL CORPORATION


By: Stephen P. Griggs
President

IHS ACQUISITION XXIV, INC.

By: Elizabeth A Kelly
(Chairman or Vice Chairman of the
Board of Directors, or President or
another Officer)

Elizabeth B Kelly
(Name)

EVP, Corporate Development
(Title)