

# F95000005293

James O. Shelter

Requestor's Name

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TALLAHASSEE FLA. 385-0070

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Office Use Only

**CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):**

1. TDS Group, INC 300002145143--7  
(Corporation Name) (Document #)  
-04/16/97--01065--023  
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☐ Photocopy

☒ Certificate of Status

NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/ Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input checked="" type="checkbox"/>	Merger

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
<input type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

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merger

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SECRETARY OF STATE  
TALLAHASSEE FLORIDA

FILED

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Jon  
Merger  
C.C. &  
C.U.S.

F95000005293

ARTICLES OF MERGER  
Merger Sheet

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MERGING:

THE TDS GROUP, INC., a Florida corporation, L26342

INTO

CLAREMONT TECHNOLOGY GROUP, INC., an Oregon corporation,  
F95000005293

File date: April 9, 1997

Corporate Specialist: Joy Moon-French

**ARTICLES OF MERGER**

(Containing Agreement of Merger)

FILED

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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

PURSUANT TO the provisions of Section 607.1107 of the Florida Business Corporation Act, **CLAREMONT TECHNOLOGY GROUP, INC.**, an Oregon corporation ("Claremont"), and **THE TDS GROUP, INC.**, a Florida corporation ("TDS"), adopt the following Articles of Merger (hereinafter referred to as "Agreement") on this 9th day of April, 1997. Claremont and TDS are sometimes hereinafter collectively referred to as the "Constituent Corporations".

**WITNESSETH:**

**WHEREAS**, Claremont, TDS, Richard M. Benham and Thomas R. Wales have entered into an Agreement and Plan of Merger dated as of April 9, 1997 (the "Agreement & Plan"), providing, among other things, for the execution and filing of this Agreement and the merger of TDS with and into Claremont (the "Merger"), all upon the terms and subject to the conditions set forth in the Agreement & Plan and this Agreement;

**WHEREAS**, Claremont, TDS, Benham and Wales desire to merge TDS with and into Claremont, with Claremont being the surviving corporation in such merger, all upon the terms and subject to the conditions set forth in this Agreement;

**WHEREAS**, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended (the "Code");

**WHEREAS**, approval of this merger by the shareholders of Claremont is not required [Section 607.1103(7)(a), Florida Statutes], and the Board of Directors of Claremont approved the Plan of Merger on March 10, 1997. Approval of the shareholders and directors of TDS is attached hereto as Exhibit "A" and made a part hereof; and

**WHEREAS**, for accounting purposes, it is intended that the Merger shall be accounted for as a "pooling of interests";

**NOW, THEREFORE**, the parties hereto hereby agree as follows:

**ARTICLE I**

**THE MERGER; FILING; EFFECTIVE TIME**

1.1 *The Merger.* Subject to the terms and conditions of the Agreement & Plan and in accordance with the laws of the State of Oregon, at the Effective Time (as defined in Section 1.3 hereof) TDS shall be merged with and into Claremont and the separate corporation existence of TDS shall thereupon cease. Claremont shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation"). The Merger shall have the effects specified in Section 607.1106 of the Florida Business Corporation Act (the "Florida Act") and Section 60.497 of the Oregon Business Corporation Act (the "Oregon Act").

1.2 *Filing.* This Agreement, [together with the officers' certificates of each of the Constituent Corporations required by the Florida Act], shall be filed with the Secretary of State of the State of Florida at the time specified in the Agreement & Plan. In addition, this Agreement, together with the Articles of Merger as required by the Oregon Act, shall be filed with the Secretary of State of the State of Oregon at the time specified in the Agreement & Plan.

1.3 *Effectiveness.* The Merger shall become effective upon the later of (i) the filing of this Agreement with the Secretary of State of the State of Florida, or (ii) the filing of this Agreement with the Secretary of State of the State of Oregon (the "Effective Time").

1.4 *Further Assurances.* If, at any time after the Effective Time, the Surviving Corporation shall determine or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any rights, properties or assets as a result of, or in connection with, the Merger or otherwise to carry out this Agreement and the Agreement & Plan, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver all such deeds, bills of sale, assignments and assurances and to take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out the intent of this Agreement and the Agreement & Plan.

## ARTICLE II

### THE SURVIVING CORPORATION

2.1 *Articles of Incorporation.* The Articles of Incorporation of the Surviving Corporation shall be the Articles of Incorporation of Claremont in effect immediately prior to the Effective Time.

2.2 *Bylaws.* The Bylaws of the Surviving Corporation shall be the Bylaws of Claremont in effect immediately prior to the Effective Time.

2.3 *Tax Consequences.* It is intended that the Merger shall constitute a tax-free reorganization within the meaning of Section 368 (a)(1)(A) of the Code, and that this Agreement shall constitute a "plan of reorganization" for the purposes of Section 368 of the Code.

2.4 *Officers and Directors.* The officers and directors of the Surviving Corporation shall be the officers and directors of Claremont serving in such positions immediately prior to the Effective Time, all of whom shall serve until their resignation or removal or until their successors are elected and qualified.

## ARTICLE III

### CONSIDERATION FOR THE MERGER

3.1 *Conversion.* At the Effective Time, each share of common stock of TDS, \$1.00 par value per share, (other than Dissenting Shares (as hereinafter defined)), issued and outstanding immediately prior to the Effective Time (the "TDS Shares") shall, by virtue of the Merger and without any action on the part of the holder thereof, be cancelled and converted into the right to receive that shareholder's "Pro Rata Share" (as hereinafter defined) of the "Fixed Merger Consideration" (as hereinafter defined), together with the contingent contract right to receive that shareholder's Pro Rata Share of the "Contingent Merger Consideration" (as hereinafter defined), on release for the purpose of such distribution of the aggregate remaining Contingent Merger Consideration from the escrow established herein. The following definitions shall apply:

(a) *Total Merger Consideration* means 60,000 shares of Claremont common stock, no par value per share.

(b) *Fixed Merger Consideration* means 90% of the Total Merger Consideration (54,000 shares of Claremont common stock).

(c) *Contingent Merger Consideration* means 10% of the Total Merger Consideration (6,000 shares of Claremont common stock).

(d) *Pro Rata Share* means that portion obtained by multiplying the number of each Shareholder's (as hereinafter defined) TDS Shares by the Fixed Merger Consideration, Contingent Merger Consideration, or Escrow Fund (as the case may be), and dividing the product thus obtained by the total number of TDS Shares.

3.2 *Treasury Shares.* Each TDS Share issued and held in TDS's treasury immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, shall be cancelled and retired without payment of any consideration therefor, and shall cease to exist.

3.3 *Shareholder Rights.* From and after the Effective Time, the holders of certificates representing TDS Shares outstanding immediately prior to the Effective Time (each, a "Shareholder," and collectively, the "Shareholders") shall cease to have any rights with respect to such TDS Shares (except such rights, if any, as they may have as dissenting shareholders under the Florida Act) and their sole rights (except as aforesaid) shall be those contract rights which they will have pursuant to this Agreement and the Agreement & Plan with respect to the Contingent Merger Consideration and those which they will have as holders of their Pro Rata Share of the Fixed Merger Consideration.

After the Effective Time, each holder of a certificate or certificates representing TDS Shares outstanding immediately prior to the Effective Time (other than dissenting shareholders) shall be entitled, upon surrender of the same (duly endorsed if required), together with a properly completed letter of transmittal covering all such shares (with customary representations and warranties regarding the absence of liens, claims and encumbrances on such shares), to receive in exchange therefor (i) a certificate or certificates (as the holder requests) representing that Shareholder's Pro Rata Share of the Fixed Merger Consideration, plus (ii) a contingent contract right to receive that Shareholder's Pro Rata Share of the Contingent Merger Consideration. Until so surrendered for exchange, each such certificate representing TDS Shares outstanding as aforesaid (other than those of dissenting shareholders) shall be deemed for all corporate purposes, other than the payment of dividends, to evidence the ownership of the number of shares of Claremont common stock to be delivered and distributed in exchange therefor pursuant to this Article III. Unless and until any such certificate representing TDS Shares outstanding as aforesaid shall be so surrendered, no dividend payable to holders of record of Claremont common stock at or after the Effective Time shall be paid to the holder of such certificate but upon surrender thereof there shall be paid to the holder of record immediately prior to the Effective Time of such surrendered certificate the dividends (without interest) that have theretofore become payable with respect to the Claremont common stock, deliverable and distributable in exchange therefor pursuant to this Article III; provided, however, that if by reason of the escheat or other laws of any state having jurisdiction in the premises, Claremont is required to pay such state all or any part of such dividends which have become payable, the amount of dividends which would otherwise be payable upon surrender of any such certificate representing TDS Shares outstanding as aforesaid shall be reduced by the amount so paid pursuant to such escheat or other laws.

3.4 *Dissenters' Rights.* TDS Shares held by shareholders who have properly exercised dissenters' rights with respect thereto in accordance with Sections 607.1301 through 607.1320 of the Florida Act (collectively, the "Dissenting Shares") shall not be converted into the right to receive Claremont common stock, but such shareholders shall be entitled to receive payment of the appraised value of the Dissenting Shares in accordance with the provisions of the Florida Act, except that any Dissenting Shares held by a shareholder who shall thereafter withdraw such demand for appraisal of his TDS Shares or otherwise lose the right to such payment as provided in the Florida Act, shall thereupon be deemed to have been converted into, as of the Effective Time, the right to receive Claremont common stock, without any interest thereon.

3.5 *Fractional Shares.* No fractional shares of Claremont common stock shall be issued in the Merger. In lieu of the issuance of any such fractional shares, Claremont shall pay to each former shareholder of TDS who otherwise would be entitled to receive a fractional share of Claremont's common stock (after taking into account all Claremont common stock into which such shareholder's TDS Shares were converted pursuant to this Article III) an amount in cash (rounded to the nearest whole cent) determined by multiplying (i) the fair market value (as hereinafter defined) of a share of Claremont's common stock by (ii) the fraction of a share of Claremont's common stock which such holder would otherwise be entitled to receive pursuant

to this Article III. The fair market value of a share of Claremont's common stock shall be the average of the closing prices over the ten (10) day trading period immediately preceding the two (2) day period prior to the Closing Date.

3.6 *Lost Certificates.* In the event any certificate representing TDS Shares (a "Certificate") shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and indemnity against any claim that may be made against Claremont with respect to such Certificate, and, if required by Claremont, the posting by such person of a bond in such amount as Claremont may determine is reasonably necessary in connection with such indemnity, Claremont will issue in exchange for such lost, stolen or destroyed Certificate the Claremont common stock, and cash in lieu of any fractional shares, deliverable in respect thereof pursuant to this Agreement.

3.7 *Escrow Deposit.* Promptly following the Closing, Claremont shall deposit in escrow pursuant to Article X of the Agreement & Plan, the number of shares of Claremont common stock constituting the Contingent Merger Consideration. Such shares shall be issued in the name of the Escrow Agent, "as Escrow Agent under that Escrow Agreement dated" the closing date or otherwise with equivalent effect. Such shares shall be held for the purposes described in Article X of the Agreement & Plan and the Escrow Agreement (as defined in the Agreement & Plan), and released to Claremont and/or the Shareholders in accordance with the provisions of Article X of the Agreement & Plan and the Escrow Agreement.

## ARTICLE IV

### TERMINATION

4.1 *Termination.* Notwithstanding the approval of this Agreement by the shareholders of TDS, this Agreement shall terminate forthwith in the event that the Agreement & Plan shall be terminated as therein provided.

4.2 *Amendment.* This Agreement may be amended by the parties hereto at any time before or after approval hereof by the shareholders of TDS, but, after any such approval, no amendment shall be made without the further approval of such shareholders which would (i) have a material adverse effect on the shareholders of TDS, (ii) change any of the principal terms of this Agreement or the Agreement & Plan, or (iii) change any term of the Articles of Incorporation of the Surviving Corporation. This Agreement may not be amended except by an instrument in writing executed on behalf of each of the parties hereto.

For the convenience of the parties hereto, this Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement intending it to be effective as of the date first hereinabove written.

CLAREMONT TECHNOLOGY GROUP, INC.

THE TDS GROUP, INC.

By: *Elise P. Caffrey*  
Elise P. Caffrey, Vice President

By: *Richard M. Benham, President*  
Richard M. Benham, President

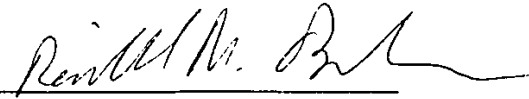



**CONSENT OF SHAREHOLDERS AND DIRECTORS**

**THE TDS GROUP, INC.**

WE, the undersigned, representing all of the directors and the owners of one hundred percent (100%) of the issued and outstanding stock of **THE TDS GROUP, INC.**, a Florida corporation, approve and consent to the adoption of the Agreement and Plan of Merger by and among **CLAREMONT TECHNOLOGY GROUP, INC.**, an Oregon corporation; **THE TDS GROUP, INC.**, a Florida corporation; and **RICHARD M. BENHAM** and **THOMAS R. WALES**, individually.

DATED this 9th day of April, 1997.

  
\_\_\_\_\_  
**RICHARD M. BENHAM**  
(Director/Shareholder)

  
\_\_\_\_\_  
**THOMAS R. WALES**  
(Director/Shareholder)

**EXHIBIT "A"**