

ARTICLES OF MERGER
Merger Sheet

MERGING:

DIACO, INC., a FL Corp., #K19896

INTO

CREATIVE OPTICS, INC., a Delaware corporation, F97000002315

File date: May 2, 1997

Corporate Specialist: Susan Payne

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SECRETARY OF STATE
DIVISION OF CORPORATIONS

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ARTICLES OF MERGER
OF
DIACO INC., A FLORIDA CORPORATION, K19896,
INTO
CREATIVE OPTICS, INC.,
A DELAWARE CORPORATION

The undersigned corporations, pursuant to Section 607.1107 of the Florida Business Corporation Act, hereby execute the following Articles of Merger:

FIRST: The names of the corporations proposing to merge and the names of the states under the laws of which such corporations are organized are as follows:

<u>Name of corporation</u>	<u>State of Incorporation</u>
Diaco Inc.	Florida
Creative Optics, Inc.	Delaware

SECOND: The laws of the State of Delaware under which such foreign corporation is organized permit such merger and such foreign corporation is complying with those laws in effecting the merger.

THIRD: Creative Optics, Inc., a Delaware corporation, which is the surviving corporation of the merger, complies with Section 607.1105 of the Florida Business Corporation Act, and Diaco Inc., the domestic corporation which is the merged corporation, complies with the applicable provisions of Sections 607.1101-607.1104 of the Florida Business Corporation Act.

FOURTH: The Plan of Merger merging Diaco Inc. with and into Creative Optics, Inc., pursuant to which the merger is to be effected, is attached hereto as Exhibit A and made a part hereof as if fully set forth herein.

FIFTH: The effective time of the merger shall be the date on which the Articles of Merger are filed.

SIXTH: The Plan of Merger was adopted by the shareholders of Diaco Inc. on the 30th day of April, 1997, and was adopted by

the shareholders of Creative Optics, Inc. on the 23rd day of April, 1997.

Signed this 2nd day of May, 1997.

CREATIVE OPTICS, INC.,
Surviving Corporation

By: 

Jack V. Gunion, Chairman and
Chief Executive Officer

DIACO INC.,
Merged Corporation

By: 

Paul Diaz-Asper, President

PLAN OF MERGER

1.1 The Merger. Subject to the terms and conditions of the Agreement and Plan of Merger (the "Agreement"), at the Effective Time, in accordance with the Agreement, the General Corporation Law of the State of Delaware (the "Delaware GCL") and the Florida Business Corporation Act (the "Florida BCA"), DIACO Inc., a Florida corporation (the "Company"), shall be merged with and into Creative Optics, Inc., a Delaware corporation ("Acquisition") and a wholly-owned subsidiary of Framecorp, Inc., a Delaware corporation ("Parent"), the separate existence of the Company (except as it may be continued by operation of law) shall cease, and Acquisition shall continue as the surviving corporation under the corporate name of "Creative Optics, Inc."

1.2 Effect Of the Merger. Upon the effectiveness of the Merger, except as otherwise provided in the Agreement, the Surviving Corporation shall succeed to and assume all the rights and obligations of the Company and Acquisition in accordance with the Delaware GCL and the Florida BCA and the Merger shall otherwise have the effects set forth in Section 259 of the Delaware GCL.

1.3 Consummation of the Merger. As soon as practicable after the satisfaction or waiver of the conditions to the obligations of the parties to effect the Merger set forth herein, provided that the Agreement has not been terminated previously, the parties hereto will cause the Merger to be consummated by filing (a) with the Secretary of State of the State of Delaware a properly executed certificate of merger in accordance with the Delaware GCL, and (b) with the Secretary of State of the State of Florida properly executed articles of merger in accordance with the Florida BCA. The Merger shall be effective upon filing of such certificates or on such later date as may be specified therein (the time of such effectiveness being the "Effective Time"). The closing (the "Closing") in connection with the consummation of the Merger shall take place at the offices of the Company at 1407 Coral Way, Miami, Florida 33145, on or before May 2, 1997, which shall be the same business day on which the Merger becomes effective (the "Closing Date"), or at such other location and on such other date as the parties may mutually agree.

1.4 Charter; By-Laws; Directors and Officers. Immediately after the Effective Time, the Certificate of Incorporation of Acquisition shall be the Certificate of Incorporation of the

Surviving Corporation until thereafter amended in accordance with the provisions thereof and as provided by the Delaware GCL. As of the Effective Time, the By-Laws of the Surviving Corporation shall be the By-Laws of Acquisition as in effect immediately prior to the Effective Time, until thereafter amended in accordance with the provisions thereof and the Certificate of Incorporation of the Surviving Corporation and as provided by the Delaware GCL. The directors and officers of the Surviving Corporation shall be the directors and officers, respectively, of Acquisition immediately prior to the Effective Time, in each case until their respective successors are duly elected and qualified.

1.5 Further Assurances. If at any time after the Effective Time the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of either of the Constituent Corporations, or (b) otherwise to carry out the purposes of the Agreement, the Surviving Corporation and its proper officers and directors or their designees shall be authorized to execute and deliver, in the name and on behalf of either of the Constituent Corporations, all such deeds, bills of sale, assignments and assurances and do, in the name and on behalf of such Constituent Corporation, all such other acts and things necessary, desirable or proper to vest, perfect or confirm its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of such Constituent Corporation and otherwise to carry out the purposes of the Agreement.

ARTICLE II

CONVERSION OF SECURITIES

2.1 Conversion of Securities of the Company; Purchase Price. By virtue of the Merger and without any action on the part of the holders of the common stock, \$1.00 par value, of the Company ("Company Common Stock"), and subject to the terms of Section 2.6(d) and Section 6.18 of the Agreement, at the Effective Time all outstanding shares of the Company Common Stock shall be converted into the right to receive (a) One Hundred Fifty Thousand (150,000) shares of fully paid and nonassessable shares of Parent Common Stock having an aggregate agreed value of One Million Five Hundred

Thousand Dollars (\$1,500,000) (the "Stock Consideration") and (b) cash in the aggregate amount of One Million Nine Hundred Thousand Eight Hundred and Fifteen Dollars (\$1,900,815) (the "Cash Consideration", and together with the Stock Consideration collectively referred to herein as the "Purchase Price"), which Purchase Price shall be subject to adjustment as hereinafter set forth. Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive its pro rata portion (the "Per Share Portion") of (a) the Stock Consideration; and (b) the Cash Consideration.

2.2 Acquisition Common Stock. At the Effective Time, each share of common stock, no par value, of Acquisition issued and outstanding immediately prior to the Effective Time shall remain outstanding.

2.3 Exchange of Certificates.

(a) At the Closing, the Shareholders shall deliver to Parent the certificate or certificates representing their shares of Company Common Stock, all of which shares of Company Common Stock the Shareholders own jointly as joint tenants with the right of survivorship (each, a "Certificate") in form sufficient for transfer and cancellation pursuant thereto. Upon surrender of Certificates for cancellation to Parent in form sufficient for transfer and cancellation pursuant hereto and delivery to Parent of such other documents as may reasonably be required by Parent, subject to the terms of Section 2.6(d) and Section 6.18 of the Agreement, the Shareholders jointly shall be entitled to receive in exchange therefor (i) a certificate evidencing the shares of Parent Common Stock representing the Stock Consideration and (ii) a certified or bank cashier's check or wire transfer of immediately available funds representing the portion of the Cash Consideration payable at the Closing pursuant to the provisions of Section 2.4(b) (i) hereof.

(b) All shares of Parent Common Stock received in the Merger shall be subject to the terms and conditions of that certain Shareholders Agreement among Acquisition and its shareholders dated January 3, 1996 and that certain Subscription Agreement among Acquisition and its shareholders dated November 29, 1995, each as modified by the terms of that certain Agreement and Plan of Reorganization dated as of March 21, 1997 by and among Acquisition, Parent, COI S2 Inc. and the other parties named therein to, among other things, effect the assumption by Parent of all rights and obligations of Acquisition under the Shareholders Agreement and the

Subscription Agreement, and shall also be subject to the terms and conditions of the Management Stock Option Plan of Parent (collectively, the "Framecorp Agreements"), copies of all of which Framecorp Agreements have heretofore been delivered to the Shareholders.

2.4 Payment of Cash Consideration.

(a) Simultaneously with the execution hereof, Parent shall deposit by a certified or bank cashier's check or by wire transfer the amount of Two Hundred and Fifty Thousand Dollars (\$250,000) (the "Deposit") with Shanley & Fisher, P.C. (the "Escrow Agent"), to be held by the Escrow Agent in an interest-bearing attorney trust account and in accordance with the terms and conditions of an escrow agreement to be executed on the Closing Date (the "Escrow Agreement") substantially in the form attached to the Agreement as Exhibit A. If Parent defaults in effecting the Merger in accordance with the terms of the Agreement through no fault of either the Shareholders or the Company, then the Shareholders shall be entitled to receive the Deposit, plus interest, as consideration for the Agreement and the Agreement shall be deemed terminated. However, if the conditions precedent to Parent's and Acquisition's obligation to effect the Merger, as set forth in the Agreement, including without limitation the conditions set forth in Article VII of the Agreement, have not been met by the Effective Time, then Parent shall be entitled to receive the Deposit, plus interest and the Agreement shall be deemed terminated. If the Agreement is terminated pursuant to Section 6.12(a)(1) or 6.12(a)(4) thereof, then Parent shall be entitled to receive the Deposit, plus interest, as consideration for the Agreement and Escrow Agent shall promptly forward same to Parent without further action and the Agreement shall be deemed terminated. However, if either Parent or the Shareholders elect to terminate the Agreement pursuant to Section 6.12(a)(2) or 6.12(a)(3), respectively, then the terminating party shall deliver a written notice to the other party and to Escrow Agent setting forth the specific basis for termination (the "Termination Notice"), and if Escrow Agent and the terminating party do not receive written notice from the non-terminating party disputing such termination within five (5) business days of receipt of the Termination Notice, then Escrow Agent shall forward the Deposit, plus interest to the appropriate party pursuant to the terms of Section 6.12(a)(2) or 6.12(a)(3), as the case may be, on the sixth (6th) business day following receipt of the Termination Notice. In the event the non-terminating party timely disputes the basis for termination within such five (5) business day period, such dispute

shall be resolved in accordance with the terms of Section 6.12(b) of the Agreement and Escrow Agent shall continue to hold the Deposit in an interest-bearing attorney trust account until such dispute is finally resolved.

(b) At the Closing, Parent shall (i) pay to the Shareholders jointly the sum of One Million Six Hundred Thousand Eight Hundred and Fifteen Dollars (\$1,600,815) by delivery of a certified or bank cashier's check or by wire transfer of immediately available funds to an account designated in advance in writing by the Shareholders jointly and (ii) pay by wire transfer to an account designated in advance by Escrow Agent or by delivery of a certified or bank cashier's check payable to Escrow Agent the amount of Fifty Thousand Dollars (\$50,000) (the "Additional Deposit", and together with the Deposit, the "Escrow Amount"), to be held by Escrow Agent pursuant to the terms and conditions of the Escrow Agreement as security for adjustment of the Purchase Price pursuant to Section 2.6 of the Agreement.