

679255

CAPITAL CONNECTION, INC.

417 E. Virginia Street, Suite 1 • Tallahassee, Florida 32302
(850) 224-8870 • 1-800-342-8062 • Fax (850) 222-1222

Blue Ridge Spas, Inc
Into
Gatsby Spas, Inc

_____ Art of Inc. File _____
 _____ LTD Partnership File 500002472305-3
 _____ Foreign Corp. File 03/30/98-01062-015
 _____ L.C. File _____
 _____ Fictitious Name File _____
 _____ Trade/Service Mark _____
☒ _____ Merger File _____
 _____ Art. of Amend. File _____
 _____ RA Resignation _____
 _____ Dissolution / Withdrawal _____
 _____ Annual Report / Reinstatement _____
 _____ Cert. Copy _____
☒ _____ Photo Copy _____
 _____ Certificate of Good Standing _____
 _____ Certificate of Status _____
 _____ Certificate of Fictitious Name _____
 _____ Corp Record Search _____
 _____ Officer Search _____
 _____ Fictitious Search _____
 _____ Fictitious Owner Search _____
 _____ Vehicle Search _____
 _____ Driving Record _____
 _____ UCC 1 or 3 File _____
 _____ UCC 11 Search _____
 _____ UCC 11 Retrieval _____
 _____ Courier _____

Signature _____

Requested by: SS

Name _____

Date 3/30/98

Time 10:30

Walk-In _____

Will Pick Up _____

merger
SF
3/30/98

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 DIVISION OF CORPORATIONS
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 DIVISION OF CORPORATIONS
 98 MAR 30 PM 3:52

ARTICLES OF MERGER
Merger Sheet

MERGING: -----

BLUE RIDGE SPAS, INC., a nonqualified North Carolina corp.

INTO

GATSBY SPAS, INC., a Florida corporation, G79255.

File date: March 30, 1998

Corporate Specialist: Susan Payne

ORIGINAL

ARTICLES OF MERGER
OF
BLUE RIDGE SPAS, INC.
(a North Carolina Business Corporation)
INTO
GATSBY SPAS, INC.
(a Florida Business Corporation)

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In compliance with the requirements of the Florida Business Corporation Act and the North Carolina Business Corporation Act, the undersigned corporations, desiring to effect a merger (the "Merger"), hereby certify as follows:

Article I

Blue Ridge Spas, Inc., a North Carolina business corporation ("Blue Ridge"), is hereby merged with and into Gatsby Spas, Inc., a Florida business corporation ("Gatsby"), such that Gatsby shall be the surviving corporation (the "Surviving Corporation") in the Merger.

Article II

The name of the Surviving Corporation is Gatsby Spas, Inc.

Article III

The Plan of Merger is attached hereto as Exhibit A and incorporated herein in its entirety by reference (the "Plan of Merger").

Article IV

The Plan of Merger was adopted and approved by the unanimous written consent of the sole shareholder of Blue Ridge as of 3/27, 1998, in lieu of a meeting, which adoption and approval is sufficient for the formal approval of the Plan of Merger.

Article V

The Plan of Merger was adopted and approved by the unanimous written consent of the sole shareholder of Gatsby as of 3/27, 1998, which adoption and approval is sufficient for the formal approval of the Plan of Merger.

Article VI

The Merger provided for in the Plan of Merger shall become effective on the later of the date and at the time on which (i) these Articles of Merger shall have been filed with and accepted by the Department of State of the State of Florida or (ii) these Articles of Merger shall have been filed with and accepted by the Secretary of State of the State of North Carolina.

IN WITNESS WHEREOF, each of the undersigned corporations has caused these Articles of Merger to be signed by a duly authorized officer this 27th day of 3/, 1998.

GATSBY SPAS, INC.

By: Kenneth W. Sorah

Name: KENNETH W. SORAH

Title: PRESIDENT/CEO

BLUE RIDGE SPAS, INC

By: W. Joe Baker

Name: WILLIE JOE BAKER

Title: VICE PRESIDENT

EXHIBIT A

**PLAN OF MERGER
OF
BLUE RIDGE SPAS, INC.
AND
GATSBY SPAS, INC.**

This Plan of Merger (the "Plan of Merger"), dated as of 3/27, 1998, is with respect to the proposed merger of Blue Ridge Spas, Inc., a North Carolina business corporation ("Blue Ridge"), with and into Gatsby Spas, Inc., a Florida business corporation ("Gatsby");

WITNESSETH:

WHEREAS, Blue Ridge was incorporated in the State of North Carolina on November 30, 1994, and is subject to the provisions of North Carolina Business Corporation Act (the "NCBCA"), as amended; and

WHEREAS, Gatsby was incorporated in the State of Florida on January 20, 1984, pursuant to the provisions of the Florida Business Corporation Act (the "FBCA"); and

WHEREAS, the respective Boards of Directors of Blue Ridge and Gatsby deem it advisable and in the best interests of said corporations to merge Blue Ridge with and into Gatsby (the "Merger"), pursuant to the provisions of the NCBCA and the FBCA.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises set forth herein and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

Merger of Blue Ridge into Gatsby

1.1 **Merger.** Subject to the terms and conditions of this Plan of Merger, at the Effective Time (as defined in Article II below), Blue Ridge shall merge with and into Gatsby in accordance with the provisions of Chapter 607 of the FBCA and Article 11 of the NCBCA.

1.2 **Effects Of The Merger.**

1.2.1 At the Effective Time (i) Blue Ridge shall merge with and into Gatsby, and the separate corporate existence of Blue Ridge shall thereupon cease, and Gatsby shall be the surviving corporation (the "Surviving Corporation") in the Merger and shall continue to be

governed by the laws of the State of Florida; (ii) the Articles of Incorporation of Gatsby as in effect immediately prior to the Effective Time shall be the Articles of Incorporation of the Surviving Corporation (until altered, amended or repealed in accordance therewith and with law); (iii) the Bylaws of Gatsby as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation (until altered, amended or repealed in accordance therewith and with law); (iv) the directors of Gatsby immediately prior to the Effective Time shall be the directors of the Surviving Corporation (until their successors shall have been elected and qualified or until their earlier death, resignation or removal); and (v) the officers of Gatsby immediately prior to the Effective Time shall be the officers of the Surviving Corporation (until their successors shall have been appointed and qualified or until their earlier death, resignation or removal).

1.2.2. At and after the Effective Time, the Merger shall have the effects provided in Section 607.1106 of the FBCA and Section 55-11-06 of the NCBCA.

1.3 Effect On Blue Ridge Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of Blue Ridge Common Stock, all of the issued and outstanding shares of Blue Ridge Common Stock (the "Shares") shall be converted into one (1) share of Gatsby Common Stock.

1.4 Gatsby Capital Stock Unaffected. Shares of Gatsby capital stock outstanding at the Effective Time shall not be converted or changed as a result of the Merger.

1.5 Name of the Surviving Corporation. At the Effective Time and pursuant to this Plan of Merger, the corporate name of the Surviving Corporation shall be "Gatsby Spas, Inc."

1.6 Continuation of Business. From and after the Effective Time and subject to the actions of the Board of Directors of Gatsby prior to the Effective Time of the Merger which shall become the Board of Directors of Blue Ridge after the Merger, the business presently conducted by Blue Ridge (whether directly or through its subsidiaries, if any) shall continue to be conducted by the Surviving Corporation.

1.7 Taking of Necessary Action. Prior to the Effective Time, Blue Ridge and Gatsby, respectively, shall take all such actions as may be necessary, appropriate or desirable to effect the Merger, including but not limited to obtaining all approvals required by the laws of the State of North Carolina and the State of Florida and filing or causing to be filed and/or recorded any document or documents prescribed by the laws of the State of North Carolina and the State of Florida. If at any time or times after the Effective Time any further action is necessary or desirable to carry out the purposes of this Plan of Merger and to vest the Surviving Corporation with full title to all properties, assets, rights, approvals and immunities of Blue Ridge, the officers and directors of the Surviving Corporation shall take all such necessary action.

1.8 Authorization. Any officer of Blue Ridge and any officer of Gatsby are hereby authorized to execute Articles of Merger upon behalf of said corporations, respectively, in conformity with the provisions of the NCBCA and the FBCA and are hereby authorized and empowered to do any and all acts and things and to make, execute, deliver, file and/or record any

and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions of this Plan of Merger or the Merger herein provided for.

ARTICLE II

Effective Time of the Merger

The Merger shall become effective on the later of the date and at the time on which (i) the Articles of Merger shall have been filed with and accepted by the Department of State of the State of Florida and (ii) the Articles of Merger shall have been filed with and accepted by the Secretary of State of the State of North Carolina (or such later date and time as may be specified in the Articles of Merger) (the "Effective Time").

ARTICLE III

Miscellaneous

3.1 Applicable Law. This Plan of Merger shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, each of the undersigned corporations has caused this Plan of Merger to be signed by a duly authorized officer this 27th day of April, 1998.

GATSBY SPAS, INC.

By: Kenneth W. Sorah
Name: KENNETH W. SORAH
Title: PRESIDENT/CEO

BLUE RIDGE SPAS, INC

By: Willie Joe Baker
Name: Willie Joe Baker
Title: VICE PRESIDENT

**UNANIMOUS WRITTEN CONSENT
OF
THE BOARD OF DIRECTORS
OF
BLUE RIDGE SPAS, INC.**

The undersigned, being all of the directors of Blue Ridge Spas, Inc., a North Carolina corporation (the "Company"), acting pursuant to Section 55-8-21 of the North Carolina Business Corporation Act, hereby waive any notice requirement and consent in writing to the adoption of, and do hereby adopt the following resolutions as though adopted at a duly called and held meeting of the Board of Directors:

RESOLVED, that the Board of Directors of the Company hereby approves the merger (the "Merger") of the Company with and into Gatsby Spas, Inc., a Florida corporation, pursuant to Articles of Merger, in substantially the form attached hereto as Exhibit A (the "Articles of Merger"), and a Plan of Merger, in substantially the form attached hereto as Exhibit B (the "Plan of Merger"), with such changes as the officer presenting the same for filing shall approve, his due execution of the Articles of Merger to be conclusive evidence of his approval of such changes; and


RESOLVED FURTHER, that the Articles of Merger and the Plan of Merger be submitted to a vote of the sole shareholder of the Company, and it is recommended that the sole shareholder of the Company approve and adopt the Plan of Merger; and


RESOLVED FURTHER, that any and all actions previously taken by the proper officers of the Company on behalf of the Company in furtherance of the purpose and intent of any or all of the foregoing resolutions be, and hereby are, ratified, confirmed, adopted and approved in all respects as the duly authorized acts of the Company; and

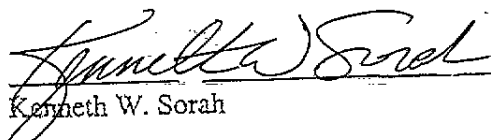
RESOLVED FURTHER, that the proper officers of the Company be, and each of them hereby is, authorized, in the name and on behalf of the Company, to take any and all such further actions, to execute, deliver and perform, under its corporate seal or otherwise, any and all such further agreements, documents, certificates and instruments, to make any and all such filings, to seek any and all such approvals and to pay any and all such costs and expenses as in their, his or her judgment may be necessary, appropriate or advisable in order to carry out the purpose and intent of any or all of the foregoing resolutions and to effectuate the transactions authorized, including, without limitation: upon approval of the Plan of Merger by the shareholder of the Company, the execution of the Articles of Merger and the filing thereof in the states of Florida and North Carolina.

IN WITNESS WHEREOF, the undersigned, being all of the directors of the Company, have executed this Unanimous Written Consent of the Board of Directors as of 3/27, 1998.


Mark F. Jordan


Willie Joe Baker


Kenneth E. Sponagle


Kenneth W. Sorah

UNANIMOUS WRITTEN CONSENT
OF
THE SOLE SHAREHOLDER
OF
BLUE RIDGE SPAS, INC.

The undersigned, being the sole shareholder of Blue Ridge Spas, Inc., a North Carolina corporation (the "Company"), acting pursuant to Section 55-7-04 of the North Carolina Business Corporation Act, hereby waives any notice requirement and consents in writing to the adoption of, and does hereby adopt the following resolutions as though adopted at a duly called and held meeting of the shareholder:

WHEREAS, the Board of Directors of Gatsby Corporation, a Nevada corporation, has approved and recommended the merger of the Company with and into Gatsby Spas, Inc., a Florida corporation, in accordance with Articles of Merger, in substantially the form attached hereto as Exhibit A (the "Articles of Merger") and a Plan of Merger, in substantially the form attached hereto as Exhibit B (the "Plan of Merger");

NOW THEREFORE, BE IT RESOLVED, that the Articles of Merger and the Plan of Merger, be and, hereby are approved and adopted; and

IN WITNESS WHEREOF, undersigned has executed this Unanimous Written Consent of the Sole Shareholder as of 3/27, 1998.

GATSBY CORPORATION

By: 

Name: KENNETH W. SORAH

Title: PRESIDENT

**UNANIMOUS WRITTEN CONSENT
OF
THE BOARD OF DIRECTORS
OF
GATSBY SPAS, INC.**

The undersigned, being all of the directors of Gatsby Spas, Inc., a Florida corporation (the "Company"), acting pursuant to Section 607.0821 of the Florida Business Corporation Act, hereby waive any notice requirement and consent in writing to the adoption of, and do hereby adopt the following resolutions as though adopted at a duly called and held meeting of the Board of Directors:

RESOLVED, that the Board of Directors of the Company hereby approves the merger (the "Merger") of Blue Ridge Spas, Inc., a North Carolina corporation ("Blue Ridge"), with and into the Company pursuant to Articles of Merger, in substantially the form attached hereto as Exhibit A (the "Articles of Merger"), and a Plan of Merger, in substantially the form attached hereto as Exhibit B (the "Plan of Merger"), with such changes as the officer presenting the same for filing shall approve, his due execution of the Articles of Merger to be conclusive evidence of his approval of such changes; and

RESOLVED FURTHER, that the Articles of Merger and the Plan of Merger be submitted to a vote of the sole shareholder of the Company and it is recommended that the sole shareholder of the Company approve and adopt the Articles of Merger and the Plan of Merger; and

RESOLVED FURTHER, that the issuance of one share of Common Stock of the Company to the shareholder of Blue Ridge pursuant to the Plan of Merger be, and hereby is, authorized and approved and that upon issuance in accordance with the Plan of Merger, such shares shall be fully paid and nonassessable; and

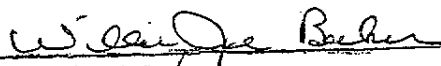
RESOLVED FURTHER, that any and all actions previously taken by the proper officers of the Company on behalf of the Company in furtherance of the purpose and intent of any or all of the foregoing resolutions be, and hereby are, ratified, confirmed, adopted and approved in all respects as the duly authorized acts of the Company; and

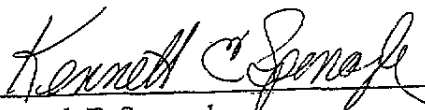
RESOLVED FURTHER, that the proper officers of the Company be, and each of them hereby is, authorized, in the name and on behalf of the Company, to take any and all such further actions, to execute, deliver and perform, under its corporate seal or otherwise, any and all such further agreements, documents, certificates and instruments, to make any and all such filings, to seek any and all such approvals and to pay any and all such costs and expenses as in their, his or her judgment may be necessary, appropriate or advisable in order to carry out the purpose and intent of any or all of the foregoing resolutions and to effectuate the transactions authorized, including, without limitation: upon approval of the Plan

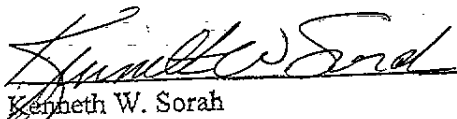
of Merger by the shareholder of the Company, the execution of the Articles of Merger and the filing thereof in the states of Florida and North Carolina.

IN WITNESS WHEREOF, the undersigned, being all of the directors of the Company, have executed this Unanimous Written Consent of the Board of Directors as of 3/27, 1998.


Mark F. Jordan


Willie Joe Baker


Kenneth E. Sponagle


Kenneth W. Sorah

UNANIMOUS WRITTEN CONSENT
OF
THE SOLE SHAREHOLDER
OF
GATSBY SPAS, INC.

The undersigned, being the sole shareholder of Gatsby Spas, Inc., a Florida corporation (the "Company"), acting pursuant to Section 607.0704 of the Florida Business Corporation Act, hereby waives any notice requirement and consents in writing to the adoption of, and does hereby adopt the following resolutions as though adopted at a duly called and held meeting of the shareholder:

WHEREAS, the Board of Directors of Gatsby Corporation, a Nevada corporation, has approved and recommended the merger of Blue Ridge Spas, Inc., a North Carolina corporation, with and into the Company in accordance with Articles of Merger, in substantially the form attached hereto as Exhibit A (the "Articles of Merger") and a Plan of Merger, in substantially the form attached hereto as Exhibit B (the "Plan of Merger");

NOW THEREFORE, BE IT RESOLVED, that the Articles of Merger and the Plan of Merger, be and, hereby are approved and adopted; and

IN WITNESS WHEREOF, undersigned has executed this Unanimous Written Consent of the Sole Shareholder as of 3/27, 1998.

GATSBY CORPORATION

By: _____

Name: _____

Title: _____

Kenneth W. Sorah
KENNETH W. SORAH
PRESIDENT/CEO

**UNANIMOUS WRITTEN CONSENT
OF
THE BOARD OF DIRECTORS
OF
GATSBY CORPORATION**

The undersigned directors of Gatsby Corporation, a Nevada corporation (the "Company"), acting pursuant to Section 78.315 of the Nevada General Corporation Law, hereby waive any notice requirement and consent in writing to the adoption of, and do hereby adopt the following resolutions as though adopted at a duly called and held meeting of the Board of Directors:

RESOLVED, that the Board of Directors of the Company approves the merger of Blue Ridge Spas, Inc., a North Carolina corporation and wholly owned subsidiary of the Company, with and into Gatsby Spas, Inc., a Florida corporation and wholly owned subsidiary of the Company (together, the "Subsidiaries"), pursuant to the Articles of Merger and the Plan of Merger (both as hereafter defined); and

RESOLVED FURTHER, that the Board of Directors of the Company hereby authorizes the President of the Company to execute on behalf of the Company in its capacity as the sole shareholder of the Subsidiaries a unanimous written consent of the shareholder for each of the Subsidiaries setting forth the following resolutions:

WHEREAS, the Board of Directors of the Company has approved and recommended the merger of Blue Ridge Spas, Inc., a North Carolina corporation, with and into Gatsby Spas, Inc., a Florida corporation, in accordance with Articles of Merger, in substantially the form attached hereto as Exhibit A (the "Articles of Merger") and a Plan of Merger, in substantially the form attached hereto as Exhibit B (the "Plan of Merger");

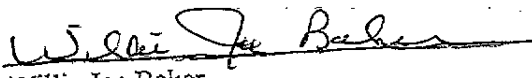
NOW THEREFORE, BE IT RESOLVED, that the Articles of Merger and the Plan of Merger, be and, hereby are approved and adopted.

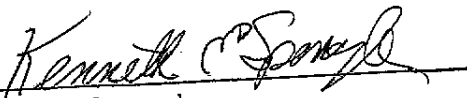
RESOLVED FURTHER, that the proper officers of the Company be, and each of them hereby is, authorized, in the name and on behalf of the Company, to take any and all such further actions, to execute, deliver and perform, under its corporate seal or otherwise, any and all such further agreements, documents, certificates and instruments, to make any and all such filings, to seek any and all such approvals and to pay any and all such costs and expenses as in their, his or her judgment may be necessary, appropriate or advisable in order to carry out the purpose and intent of any or all of the foregoing resolutions and to effectuate the transactions authorized, including, without limitation: upon approval of the Plan of Merger by the shareholder of the Company, the execution of the Articles of Merger and the filing thereof in the states of Florida and North Carolina.

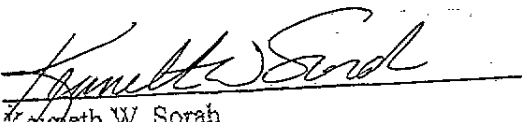
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IN WITNESS WHEREOF, undersigned, being all the directors of the Company, have executed this Unanimous Written Consent of the Board of Directors as of 3/27, 1998.


Mark F. Jordan


Willie Joe Baker


Kenneth E. Sponagle


Kenneth W. Sorah