

K16739

ARTICLES OF MERGER
Merger Sheet

MERGING:

ENTERTAINMENT SPECIALISTS, LTD., INC., a Florida corporation, document
number K16739

INTO

THE ROYAL LIPIZZANER STALLIONS, INC., a Nevada corporation not
qualified in Florida

File date: August 4, 1997

Corporate Specialist: Karen Gibson

Account number: 072100000032

Account charged: 122.50

K16739



THE UNITED STATES
CORPORATION
COMPANY

ACCOUNT NO. : 072100000032

REFERENCE : 484226 95101A

AUTHORIZATION :

Patricia Pizub

COST LIMIT : \$ 122.50

ORDER DATE : August 4, 1997

ORDER TIME : 9:50 AM

ORDER NO. : 484226-005

CUSTOMER NO: 95101A

300002255993--1

CUSTOMER: Russell P. Hintze, Esq
Salley Feinberg & Hames, P.a.
P. O. Box 3829

Orlando, FL 32802-3829

ARTICLES OF MERGER

ENTERTAINMENT SPECIALISTS,
LTD., INC.

INTO

THE ROYAL LIPIZZANER
STALLIONS, INC.

FILED
97 AUG -4 AM 11:55
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY
PLAIN STAMPED COPY

CONTACT PERSON: Tonya C. Holliday

EXAMINER'S INITIALS:

Merge
KKG
234

ARTICLES OF MERGER OF
ENTERTAINMENT SPECIALISTS, LTD., INC.
(a domestic corporation)
into
THE ROYAL LIPIZZANER STALLIONS, INC.
(a foreign corporation)

97 AUG -4 AM 11:55
SECRET
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1107 of the Florida Business Corporation Act, the undersigned corporations, ENTERTAINMENT SPECIALISTS, LTD., INC., a Florida corporation ("ESL"), and THE ROYAL LIPIZZANER STALLIONS, INC., a Nevada corporation ("RLS"), adopt the following articles of merger for the purpose of merging them into one of the corporations:

1. The names of the undersigned corporations and the states under the laws of which they are organized are, respectively:

<u>Name of Corporation</u>	<u>State of Corporation</u>
ENTERTAINMENT SPECIALISTS, LTD., INC.	Florida
THE ROYAL LIPIZZANER STALLIONS, INC.	Nevada

THE ROYAL LIPIZZANER STALLIONS, INC. is the surviving corporation.

2. The laws of the state under which the constituent foreign corporation is organized permit merger.

3. The name of the surviving corporation is THE ROYAL LIPIZZANER STALLIONS, INC., and it is to be governed by the State of Nevada.

4. The Plan of Merger, attached hereto as Exhibit "A" and incorporated by reference, was approved by the directors and shareholders of ESL in the manner prescribed by the Florida Business Corporation Act, and was approved by RLS in the manner prescribed by the laws of the State of Nevada.

5. As to each of the undersigned corporations, the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on the plan, are as follows:

<u>Name of Corporation</u>	<u>Total Number of Shares Outstanding</u>	<u>Designation of Class</u>	<u>Number of Shares</u>
ENTERTAINMENT SPECIALISTS, LTD., INC.	500	Common	500
THE ROYAL LIPIZZANER STALLIONS, INC.	500	Common	500

6. As to each of the undersigned corporations, the total number of shares voted for and against the plan, respectively, and, as to each class entitled to vote as a class, the number of shares of that class voted for and against the plan, respectively, are as follows:

<u>Name of Corporation</u>	<u>Total Voted For</u>	<u>Total Voted Against</u>	<u>Class</u>	<u>Voted For</u>	<u>Voted Against</u>
ENTERTAINMENT SPECIALISTS, LTD., INC.	500	0	Common	500	0
THE ROYAL LIPIZZANER STALLIONS, INC.	500	0	Common	500	0

7. This merger shall be effective upon the filing of these Articles of Merger.

Dated this 31st day of July, 1997.

ENTERTAINMENT SPECIALISTS, LTD., INC.


Elizabeth Lashinsky, President

THE ROYAL LIPIZZANER STALLIONS, INC.


Robert L. Barland, Assistant Secretary

STATE OF FLORIDA
COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this 31
day of July, 1997, by Elizabeth Lashinsky as President of
ENTERTAINMENT SPECIALISTS, LTD., INC., a Florida corporation, on
behalf of the corporation. She is personally known to me or has
produced 1) MRS. Lashinsky as identification.

Lynda J. Creaser
Notary Public

Print Name: LYNDA J. CREASER

My Commission Expires: _____

STATE OF Florida
COUNTY OF Seminole

LYNDA J. CREASER
Notary Public - State of Florida
My Commission Expires Jan 30, 2001
Commission # CC613512

The foregoing instrument was acknowledged before me this
31 day of July, 1997, by Robert L. Barland as Assistant
Secretary of THE ROYAL LIPIZZANER STALLIONS, INC., a Nevada
corporation, on behalf of the corporation. He is personally known
to me or has produced _____ as
identification.

Lynda J. Creaser
Notary Public

Print Name: LYNDA J. CREASER

My Commission Expires: _____

LYNDA J. CREASER
Notary Public - State of Florida
My Commission Expires Jan 30, 2001
Commission # CC613512

PLAN OF MERGER

Plan of Merger adopted for **ENTERTAINMENT SPECIALISTS, LTD., INC.**, a business corporation organized under the laws of the State of Florida, by written action of its Board of Directors as of July 14, 1997, and adopted for **THE ROYAL LIPIZZANER STALLIONS, INC.**, a business corporation organized under the laws of the State of Nevada, by resolution of its Board of Directors on July 14, 1997. The names of the corporations planning to merge are **ENTERTAINMENT SPECIALISTS, LTD., INC. ("ESL")**, a business corporation organized under the laws of the State of Florida, and **THE ROYAL LIPIZZANER STALLIONS, INC. ("RLS")**, a business corporation organized under the laws of the State of Nevada. The surviving corporation shall be RLS and its name shall be **THE ROYAL LIPIZZANER STALLIONS, INC.**

1. The address of ESL is 1053 Van Arsdale, Oviedo, Florida 32765, its place of organization is the State of Florida, and its governing law is the Florida Business Corporation Act. The address of RLS is 3044 Waterview Drive, Las Vegas, Nevada 89117, its place of organization is the State of Nevada, and its governing law is the Nevada Revised Statutes.

2. ESL shall be merged into and RLS, pursuant to the provisions of the laws of the State of Florida and the provisions of the State of Nevada Revised Statutes, which shall be the surviving corporation when the merger becomes effective and which is sometimes hereinafter referred to as the "surviving corporation", and which shall continue to exist as said surviving corporation under its present name pursuant to the provisions of the Nevada Revised Statutes. The separate existence of ESL which is sometimes hereinafter referred to as the "non-surviving corporation", shall cease when the merger becomes effective in accordance with the laws of the jurisdiction of its organization.

3. The Certificate of Incorporation of the surviving corporation when the merger becomes effective shall be the Certificate of Incorporation of said surviving corporation and said Certificate of Incorporation shall continue in full force and effect until amended and changed in the manner prescribed by the provisions of the Nevada Revised Statutes.

4. The present bylaws of the surviving corporation will be the bylaws of said surviving corporation and will continue in full force and effect until changed, altered, or amended as therein provided and in the manner prescribed by the provisions of the Nevada Revised Statutes.

5. The directors and officers in office of the surviving corporation when the merger becomes effective shall be the members of the first Board of Directors and the first officers of the surviving corporation, all of whom shall hold their directorships and offices until the election and qualification of their respective successors or until their tenure is otherwise terminated in accordance with the bylaws of the surviving corporation.

6. The issued shares of the surviving corporation shall not be converted or exchanged in any manner, but each said share which is issued when the merger takes effect shall continue to represent one issued share of the surviving corporation. The authorized but unissued shares of ESL shall be canceled and the issued and outstanding shares of ESL shall be converted into (i) a number of shares of the common stock of BEACHPORT ENTERTAINMENT CORPORATION ("BEC"), a business corporation organized under the laws of the State of Utah, determined by dividing \$1,000,000.00 by the lesser of (A) \$3.00 or (B) the average closing price of BEC common stock, as reported by the NASD OTC Bulletin Board or NASDAQ and/or the American Stock Exchange, if BEC is listed thereon, for the 60-day period immediately prior to the Effective Date (as such term is defined in paragraph 10), (ii) Six Hundred Thirty-one Thousand Four Hundred Sixty Dollars (\$631,460.00) (iii) plus the right to receive additional share of BEC stock as follows:

(a) On or about the first anniversary of the Effective Date (a such term is defined in paragraph 10), the former ESL shareholders shall receive additional shares of the common stock of BEC equal to: (i) the gross earnings of the Surviving Corporation during the twelve (12) month period immediately following the Effective Date (the "First Twelve Months") less One Million Dollars (\$1,000,000) divided by (ii) the yearly average of the BEC's share price during the First Twelve Months (determined by adding the daily share prices for the first month of the First Twelve Months to the daily share prices for the last month of the First Twelve Months and dividing the total by the total number of trading days in each of said months).

(b) On or about the second anniversary of the Effective Date, the former ESL shareholders shall receive additional shares of the common stock of BEC equal to: (i) the gross earnings of the surviving corporation during the twelve (12) month period beginning immediately after the end of the First Twelve Months (the "Second Twelve Months") less One Million Dollars (\$1,000,000) divided by (ii) the yearly average of BEC's share price during the Second Twelve Months (determined by adding the daily share prices for the first month of the Second Twelve Months to the daily share price for the last month of the Second Twelve Months and dividing the total by the total number of trading days of said months).

(c) On or about the third anniversary of the Effective Date, the former ESL shareholders shall receive additional shares of the common stock of BEC equal to: (i) (A) the average annual earnings of surviving corporation for the three (3) year period beginning with the Effective Date multiplied by (B) seventy percent (70%) of the average profit/earning multiple of BEC for the twelve (12) month period beginning immediately after the end of the Second Twelve Months (the "Third Twelve Months") (determined by adding the profit/earning for the first month of the Third Twelve Months

to the profit/earning of the last month of the Third Twelve Months and dividing the sum by two (2)) times thirty-five percent (35%) divided by (C) the yearly average of the BEC's share price during the Third Twelve Months (determined by adding the daily share price for the first month of the Third Twelve Months to the daily share prices for the last month of the Third Twelve Months and dividing the total by the total number of trading days in each of said months less (ii) the number of shares received by the former ESL shareholders under Paragraphs 6(a) and 6(b).

7. The merger of the non-surviving corporation with and into the surviving corporation shall be authorized in the manner prescribed by the laws of the jurisdiction of organization of the non-surviving corporation, and the Plan of Merger herein made and approved shall be submitted to the stockholders of the surviving corporation for their approval or rejection in the manner prescribed by the provisions of the Nevada Revised Statutes.

8. In the event that the merger of the non-surviving corporation with and into the surviving corporation shall have been duly authorized in compliance with the laws of the jurisdiction of organization of the non-surviving corporation, and in the event that the Plan of Merger shall have been approved by the stockholders entitled to vote of the surviving corporation in the manner prescribed by the provisions of the Nevada Revised Statutes, the non-surviving corporation and the surviving corporation hereby stipulate that they will cause to be executed and filed and/or recorded any document or documents prescribed by the laws of the State of Florida and of the State of Nevada, and that they will cause to be performed all necessary acts therein and elsewhere to effectuate the merge.

9. The Board of Directors and the proper officers of the non-surviving corporation and of the surviving corporation, respectively, are hereby authorized, empowered, and directed 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 of the merger herein provided for.

10. The merger shall be effective upon the filing of Articles of Merger (the "Effective Date").