

P00000035769

DATE: 19 June, 2000

TO: Department of State
Division of Corporations
409 E. Gaines Street
Tallahassee, FL 32399

000003297720-9
-06/20/00--01078--002
*****78.75 *****78.75

SUBJECT: FILING OF MERGER AGREEMENT

Enclosed please find my check in the amount of \$78.75, for the \$35.00 per Corporation, plus \$8.75 for a certified copy. Please return the certified copy via the enclosed, prepared FED-X AIRBILL # 8121 2588 5816

Sincerely,


Michie Proctor, Ph.D.

9741 Berechah Drive
Hollywood, FL 33024
Telephone: 954-431-2458
Fax: 954-431-5483

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
00 JUN 20 AM 11:26

V. SHEPARD JUN 27 2000

Merger

V. SHEPARD JUN 27 2000

ARTICLES OF MERGER
Merger Sheet

MERGING:

DP HOLDINGS, INC., a Florida corporation, P00000027847

INTO

NUTRACEUTICAL CLINICAL LABORATORIES INTERNATIONAL, INC., a
Florida entity, P00000035769

File date: June 20, 2000

Corporate Specialist: Velma Shepard

ARTICLES OF MERGER

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
00 JUN 20 AM 11:26

THE FOLLOWING ARTICLES OF MERGER are submitted in accordance with the Florida Business Corporation Act, pursuant to section 607.1105, F.S.

- I. THE NAME AND JURISDICTION OF THE SURVIVING CORPORATION IS:

NUTRACEUTICAL CLINICAL LABORATORIES INTERNATIONAL, INC.

a Florida for-profit corporation.

- II. THE NAME AND JURISDICTION OF EACH MERGING CORPORATION IS:

DP HOLDINGS, INC., A Florida for-profit corporation.

- III. THE PLAN OF MERGER IS ATTACHED

- IV. THE MERGER SHALL BECOME EFFECTIVE ON THE DATE THE ARTICLES OF MERGER ARE FILED WITH THE FLORIDA DEPARTMENT OF STATE.

- V. THE PLAN OF MERGER WAS ADOPTED BY THE SHAREHOLDERS OF THE SURVIVING CORPORATION ON 15th JUNE, 2000.

- VI. THE PLAN OF MERGER WAS ADOPTED BY THE SHAREHOLDERS OF THE MERGING CORPORATION ON 15th JUNE, 2000.

PLAN OF MERGER

THE FOLLOWING PLAN OF MERGER is submitted in compliance with section 607.1101, F.S., and in accordance with the laws of any other applicable jurisdiction of incorporation.

I. THE NAME AND JURISDICTION OF THE SURVIVING CORPORATION IS:

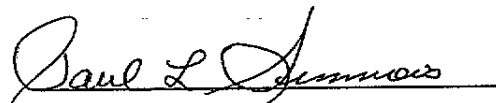
NUTRACEUTICAL CLINICAL LABORATORIES INTERNATIONAL, INC.
a Florida for-profit corporation.

II. THE NAME AND JURISDICTION OF THE MERGING CORPORATION IS
DP HOLDINGS, INC., a Florida for-profit corporation.

III. The terms and conditions of the merger, and the manner and basis of converting the shares of each corporation into shares, obligations, or other securities of the surviving corporation or any other corporation or, in whole or in part, into cash or other property and the manner and basis of converting rights to acquire shares of each 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 are as follows:

SEE ATTACHED AGREEMENT OF ACQUISITION, TITLED AGREEMENT OF PARTIES.

NUTRACEUTICAL CLINICAL
LABORATORIES INTERNATIONAL, INC.


BY: Paul Simmons, CEO

DATE: 6/15/2000

DP HOLDINGS, INC.


BY: Michie Proctor, Ph.D.

Sole Shareholder/President

DATE: 15 June 00

AGREEMENT OF PARTIES

THIS AGREEMENT is between Dr. Michie Proctor, 9741 Berechah Drive, Hollywood, FL 33024, (hereinafter referred to as PROCTOR), the owner of one-hundred percent (100%) of DP Holdings, Inc., a Florida Corporation, and Nutraceutical Clinical Laboratories International Inc., or its successor (hereinafter referred to as NCLII), a Florida Corporation, with its principal place of business located at 3542 Morris Street North, St. Petersburg, FL 33713, for the tax-free exchange of PROCTOR'S one-hundred percent (100%) interest in DP Holdings, Inc., for two-million-ninety-four-thousand-four-hundred-seventy (2,094,470) shares of the common stock of NCLII, and in addition one-million-two-hundred-sixty-five-thousand-five-hundred-thirty (1,265,530) warrants. Each warrant shall be exercisable for one share of NCLII common stock, at an exercise price of two-dollars-fifty-cents (\$2.50) per share, for a period of sixty months following the effective date of the Statutory Merger between DP Holdings and NCLII, which exchange will take place in consideration of the exchange being tax-free under the Internal Revenue Code tax-free reorganization provisions, and any and all other applicable regulations in effect the date of this agreement.

IT IS THEREFORE AGREED THAT:

1. DP Holdings, Inc., owns two-thousand-twenty (2,020) shares of the common stock of American Medical Specialties, a Florida Corporation, which represents more than fifty percent (50%) of the outstanding common stock at the time of the signing of this agreement; furthermore, DP Holdings owns 3,560 warrants, each warrant exercisable into one share of AMS common stock. 200 of such warrants have an exercise price of one-dollar per share, and 3,360 warrants have an exercise price of one-hundred-dollars per share.
2. The only asset of DP Holdings, Inc., is its majority interest in American Medical Specialties, Inc..
3. NCLII will issue to PROCTOR, two-million-ninety-four-thousand-four-hundred-seventy (2,094,470) shares of its common stock AND one-million-two-hundred-sixty-five-thousand-five-hundred-thirty (1,256,530) warrants, in a manner that will comply with Internal Revenue Service regulations for a tax-free exchange. This is an exchange of solely voting common stock and warrants exercisable into solely voting common stock.
4. NCLII may merge DP Holdings, Inc., into it under applicable Internal Revenue Service regulations; thereby, directly controlling the stock in American Medical Specialties, Inc.. The intent of the Parties is to

consummate a statutory merger or consolidation as contemplated under IRC Section 368 (1)(A). Therefore, DP Holdings, Inc., will be merged into NCLII and NCLII will be the surviving Corporation.

5. If the present bondholders of AMS have not been satisfied, and the bonds retired, simultaneous with, or prior to this transaction, then within thirty days following the completion of this transaction, NCLII will satisfy the present bondholders of American Medical Specialties, Inc., by paying these bondholders in full, which amount is approximately one-hundred-seventy-thousand-dollars (\$170,000.00), and in addition will infuse sufficient capital into American Medical Specialties, to satisfy its present need of working capital, which sum is estimated to be two-hundred-thousand-dollars (\$200,000.00). The intent of the Parties is to continue to operate DP Holdings Inc., business of controlling and operating its majority owned subsidiary business.

6. Based upon the authorized shares of NCLII at the time of this agreement, which is eighty-million (80,000,000), the number of shares of the common stock of NCLII to be issued to PROCTOR, under this agreement equals two and sixty-two one-hundredths percent (2.62%) of the authorized shares of NCLII, without respect to the warrants issued to PROCTOR as part of this agreement, which percent is to be non-dilutive, and remain constant, except that, should PROCTOR exercise any of the warrants issued as part of this agreement, then the number of shares of common stock issued as a result of this exercise of warrants shall be added in proportion to his percentage of ownership of the authorized shares of NCLII, which new percentage shall also be non-dilutive and remain constant. Should PROCTOR exercise all the warrants issued as part of this agreement, and dispose of none of the common shares issued as part of this agreement, PROCTOR would have a non-dilutive ownership percentage of four and two-tenths percent (4.2%), which shall remain constant, except as otherwise provide for in this agreement. In the event that NCLII shall increase its authorized number of shares, NCLII shall issue additional shares to PROCTOR, without charge, sufficient for PROCTOR to maintain his above stated percentage ownership of the authorized shares of NCLII. Should PROCTOR sell, gift, or in any way dispose of any of his shares, then the above percent of ownership of the authorized shares of NCLII will be adjusted accordingly.

7. NCLII will agree to hold the American Medical Specialties, Inc., stock it obtains control of in this transaction for a period of twenty-four (24) months, subject to the right to rescind as stated below;

- A. The transaction is ruled as a taxable transaction;
- B. That NCLII does not become a publicly traded Company within twelve months of this transaction with NASD OTC Bulletin Board status, or above;

*AS of the date
of the Signing of
This Agreement
Dr Proctor has
Assured the
Lenders that
The Bond Holders
have been satisfied
and \$200,000 in
working capital
has been placed
in the Company.
via a SBCI to
Loan - ACCI*

*THIS IS IN
THE FORM OF
A 100,000
LIFE-OF-CREDIT*

MP

C. That NCLII fails to trade during the thirteenth month through the twenty-fourth month of the agreement for a period of twenty consecutive trading days, at or above five-dollars per share.

8. Notwithstanding anything said in paragraph 7, NCLII may dispose of the American Medical Specialties, Inc., stock acquired in this transaction, if the parties to this agreement mutually agree, and if the asset acquired by the disposing of the American Medical Specialties, Inc., stock, shall attach to this agreement, as if it were the American Medical Specialties, Inc., stock acquired as a result of this transaction. This contemplates maintaining the business type generally conducted in the industry.


9. In the event paragraph 7 (C) fails to have twenty consecutive trading days at or above five-dollars per share, then NCLII can have, at NCLII's option, the right to issue additional shares in an amount equal to the number of shares owned by PROCTOR times five-dollars, less the number of shares owned by PROCTOR times the average per share price, which price for the purpose of this paragraph shall be the average bid price the stock trades at during the last 20 consecutive trading days of the 24th month of the agreement. If the average bid price is five dollars or greater per share, then the amount due under this clause is zero; however in the event that the average share price is less than five-dollars per share, then the dollar difference will be divided by the average share price to determine the additional shares of NCLII to be issued to PROCTOR. In the event that NCLII fails, within a fifteen day period, following the last day of the 24th month of this agreement, to issue additional shares, based on the difference, if any, resulting from the above formula, then PROCTOR has the right to rescind.


10. This agreement shall have as its venue for any dispute resolution, including court action, Pinellas County, Florida

THIS IS THE ENTIRE AGREEMENT OF THE PARTIES.

IN WITNESS whereof this 15th day of June, 2000.

NUTRACEUTICAL CLINICAL
LABORATORIES INTERNATIONAL, INC.


BY: Paul Simmons, CEO
Date: 6/15/2000


Dr. Michie Proctor
Date: 15 June 2000