

P000000/10934

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†ALSO ADMITTED IN ALABAMA & GEORGIA

April 4, 2002

VIA FEDERAL EXPRESS

Department of State  
State of Florida  
Attention: Ms. Louise Fleming  
Mergers Department  
409 East Gaines Street  
Tallahassee, FL 32314

500005196015- 8  
-04/05/02--01043--019  
\*\*\*\*\*78.75 \*\*\*\*\*78.75

Re: Filing of Articles of Merger of Brogelfer Development  
Corporation into Grand Lifestyles Resorts, Inc.

Dear Ms. Fleming:

Enclosed for filing with the Department of State are Articles of Merger. The Articles of Merger merge Brogelfer Development Corporation, a Florida Corporation into Grand Lifestyles Resorts, Inc., also a Florida corporation. The Articles specifically designate Grand Lifestyles, Inc., as the surviving corporation and otherwise comply with Chapter 607 of the Florida Statutes (Section 607.1101 *et. Seq.*) regarding statutory mergers. We have also included an extra copy of the Articles of Merger so that we may receive a certified copy of same.

Also, enclosed please find our check in the amount of \$78.75 to cover the following fees related to filing the Articles of Merger:

\$70.00 Filing Fee for Articles of Merger (\$35.00 per corporation)  
\$ 8.75 Certified Copy of Articles of Merger  
\$78.75 Total

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
2002 APR -5 PM 3:22

Merger  
LFS 4-8-2002

Secretary of State  
Merger Section  
April 4, 2002  
Page 2

These Articles of Merger are due to become effective after the closing of business on March 31, 2002, the end of an accounting month. We would, therefore, appreciate your filing these Articles at your earliest convenience.

If there are any questions whatsoever regarding the filing of these Articles of Merger, please give us a call, collect, since timing of implementation is quite important to my clients.

Very truly yours,

*Harold E. Wolfe Jr.*

Harold E. Wolfe, Jr.

signed by:  
*Jan R. Rains in his absence*  
*with his permission.*

HEW:jr

Enclosure as stated.

cc: Stockholders of Grand Lifestyles Resorts, Inc.

ARTICLES OF MERGER  
Merger Sheet

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MERGING:

BROGELFER DEVELOPMENT CORPORATION, a Florida corporation  
(Document #P94000041727)

INTO

**GRAND LIFESTYLES RESORTS, INC.**, a Florida entity, P00000110934

File date: April 5, 2002

Corporate Specialist: Louise Flemming-Jackson

2002 APR -5 PM 3: 22

**ARTICLES OF MERGER**  
**OF**  
**BROGELFER DEVELOPMENT CORPORATION**  
**INTO**  
**GRAND LIFESTYLES RESORTS, INC.**

The undersigned Florida corporations, pursuant to Florida Statutes §§607.1101, 607.1103 and 607.1105, hereby execute the following Articles of Merger of BROGELFER DEVELOPMENT CORPORATION into GRAND LIFESTYLES RESORTS, INC.:

1. The parties agree to effect this Merger in accordance with the "Plan of Merger" set forth in Paragraph 11 hereto.

2. The parties to these Articles of Merger and Plan of Merger are GRAND LIFESTYLES RESORTS, INC. (hereinafter designated the "surviving corporation" and sometimes as "GRAND LIFESTYLES RESORTS") and BROGELFER DEVELOPMENT CORPORATION hereinafter sometimes referred to as "BROGELFER") both incorporated under the laws of the State of Florida.

3. The corporation to survive the Merger is GRAND LIFESTYLES RESORTS, which shall continue under the same name. BROGELFER shall be merged into the surviving corporation in accordance with the Plan of Merger.

4. No amendment to the Articles of Incorporation of the surviving corporation is to be effected as part of the Merger.

5. The shares of stock of all classes, which the corporations have authority to issue, are as follows:

NAME OF OF CORPORATION	VALUE OF STOCK	NUMBER SHARES
Grand Lifestyles Resorts, Inc.	(\$1.00 par value)	1,500,000
Brogelfer Development Corporation	(\$1.00 par value)	1,000

6. GRAND LIFESTYLES RESORTS and BROGELFER presently have the following issued and outstanding stock so issued to the stockholders of record indicated below:

NAME OF STOCKHOLDER	NUMBER OF SHARES ISSUED	CLASS OF STOCK
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**GRAND LIFESTYLES RESORTS, INC.:**

Michael L. Browning, as Trustee of the Michael L. Browning Revocable Trust dated June 28, 1991	25,000	Common
Thomas J. Sireci, Jr.	25,000	Common
Richard F. Ferrell	12,500	Common
Walter D. deMilly	12,500	Common
Mark Z. Finigan	12,500	Common
Tom Johnsen	<u>12,500</u>	Common

**TOTAL: 100,000**

NAME OF STOCKHOLDER	NUMBER OF SHARES ISSUED	CLASS OF STOCK
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**BROGELFER DEVELOPMENT CORPORATION:**

Michael L. Browning, as Trustee of the Michael L. Browning Revocable Trust dated June 28, 1991	29.17	Common
Richard F. Ferrell	12.5	Common

7. The manner and basis of converting the shares of BROGELFER into shares of the surviving corporation shall be as set forth in this Paragraph. On the effective date of the Merger of BROGELFER into GRAND LIFESTYLES RESORTS, the separate existence of BROGELFER shall cease, the stock of BROGELFER shall be canceled and GRAND LIFESTYLES RESORTS shall succeed to all of the properties, rights, and other assets and shall be subject to all of the liabilities of BROGELFER without action by either corporation. Pursuant to the Plan of Merger, all of the issued and outstanding stock in both BROGELFER and GRAND LIFESTYLES RESORTS shall be canceled and new stock in the surviving corporation shall be issued to the stockholders in the manner set forth below with each such stockholder receiving the number of shares set forth opposite his or her name. Thus, subsequent to the merger, the new shares issued in GRAND LIFESTYLES RESORTS as a result of the merger shall be held in accordance with the following chart:

NAME OF STOCKHOLDER	NUMBER OF SHARES	CLASS OF STOCK
Michael L. Browning, as Trustee of the Michael L. Browning Revocable Trust dated June 28, 1991	25,000	Common
Thomas J. Sireci, Jr.	25,000	Common
Richard F. Ferrell	12,500	Common
Walter D. deMilly	12,500	Common
Mark Z. Finigan	12,500	Common
Tom Johnsen	<u>12,500</u>	Common

**Total: 100,000**

8. Nothing in the Plan of Merger shall affect in any manner the election of GRAND LIFESTYLES RESORTS to be taxed under Subchapter "S" of the Internal Revenue Code of 1986, as amended, contained in I.R.C. §1361 et. seq. All parties to this merger intend that GRAND LIFESTYLES RESORTS shall continue to be taxed pursuant to Subchapter "S" of the Internal Revenue Code of 1986.

9. The principal offices of both GRAND LIFESTYLES RESORTS and BROGELFER are located at 402 Appelrouth Lane, Key West, Florida 33040 and the mailing addresses of GRAND LIFESTYLES RESORTS and BROGELFER are the same as that of their principal offices.

10. Following adoption and approval of the Plan of Merger by the Board of Directors of both GRAND LIFESTYLES RESORTS and BROGELFER and submission of such Plan of Merger to the Stockholders of both corporations for Stockholder vote pursuant to Florida Statutes 607.1103 and after recommendation by both Boards of

Directors, the Plan of Merger was adopted by unanimous vote of the Stockholders of the surviving corporation and BROGELFER on March 29, 2002.

11. The Plan of Merger of BROGELFER into the surviving corporation, adopted in accordance with the provisions of Florida Statutes §§607.1101, 607.1103, 607.1105, and 607.1106 and Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, is as follows:

**PLAN OF MERGER  
OF  
BROGELFER DEVELOPMENT CORPORATION,  
INTO  
GRAND LIFESTYLES RESORTS, INC.**

1. SURVIVING CORPORATION. BROGELFER DEVELOPMENT CORPORATION, (hereinafter referred to as "BROGELFER") shall be merged into GRAND LIFESTYLES RESORTS, INC., the latter being the surviving corporation.

2. ISSUED AND OUTSTANDING STOCK. The issued and outstanding shares of BROGELFER consist of forty-one and 67/100 (41.67) shares of common stock, having a one-dollar (\$1.00) par value. The issued and outstanding stock of GRAND LIFESTYLES RESORTS (hereinafter referred to as the surviving corporation and sometimes as "GRAND LIFESTYLES RESORTS") consists of one hundred thousand (100,000) shares of common stock, having a one dollar (\$1.00) par value.



Pursuant to this Plan of Merger, the currently issued and outstanding shares of common stock of both BROGELFER and GRAND LIFESTYLES RESORTS shall be canceled as a result of the Merger and new shares of stock in GRAND LIFESTYLES RESORTS will be issued in accordance with the plan for share exchange set forth in Paragraph 3.B. of this Plan of Merger.

3. TERMS AND CONDITIONS OF MERGER AND BASIS OF CONVERSION OF SHARES.

A. On the effective date of the Merger of BROGELFER into GRAND LIFESTYLES RESORTS, the separate existence of BROGELFER shall cease, the stock of BROGELFER shall be canceled and GRAND LIFESTYLES RESORTS shall succeed to all the properties, rights, and other assets and shall be subject to all of the liabilities of BROGELFER, without action by either corporation. On the effective date of the Merger, all effects described in Florida Statutes 607.1106(1) shall become applicable as a result of this merger.

B. The manner and basis of converting the shares of BROGELFER into shares of the surviving corporation shall be as set forth in this Paragraph. On the effective date of the Merger of BROGELFER into GRAND LIFESTYLES RESORTS, the separate existence of BROGELFER shall cease, the stock of BROGELFER DEVELOPMENT CORPORATION shall be canceled and GRAND LIFESTYLES RESORTS shall succeed to all of the properties, rights, and other assets and shall be subject to all of the liabilities of BROGELFER DEVELOPMENT CORPORATION, without action by either corporation.

Pursuant to the Plan of Merger, all of the issued and outstanding stock in both BROGELFER and GRAND LIFESTYLES RESORTS shall be canceled and thus, subsequent to the Merger, the new shares issued in GRAND LIFESTYLES RESORTS, as a result of the merger, shall be held in accordance with the following chart:

NAME OF STOCKHOLDER	NUMBER OF ISSUED SHARES	CLASS OF STOCK
Michael L. Browning, as Trustee of the Michael L. Browning Revocable Trust dated June 28, 1991	25,000	Common
Thomas J. Sireci, Jr.	25,000	Common
Richard F. Ferrell	12,500	Common
Walter D. deMilly	12,500	Common
Mark Z. Finigan	12,500	Common
Tom Johnsen	<u>12,500</u>	Common
<b>Total: 100,000</b>		

4. RIGHTS OF DISSENTING STOCKHOLDERS. If the Plan of Merger is effected by Stockholder vote and subsequent consummation, the Stockholders of either corporation dissenting therefrom, are entitled to be paid fair value for their shares, provided they comply with the provisions of Chapter 607 of the Florida Statutes regarding the rights of dissenting stockholders as set forth in Florida Statutes §§607.1301, 607.1302, and 607.1320. A copy of Florida Statutes §§607.1301,

607.1302, and 607.1320 has been provided to all Stockholders of record of both BROGELFER and GRAND LIFESTYLES RESORTS in accordance with the requirement that such Florida Statutes be furnished to all stockholders as set forth in Florida Statute §607.1103(4).

5. CHANGES IN THE ARTICLES OF INCORPORATION OF SURVIVING CORPORATION. There will be no changes in the Articles of Incorporation of GRAND LIFESTYLES RESORTS by reason of the Merger. GRAND LIFESTYLES RESORTS reserves the right and power, after the effective date of the Merger, to alter, amend, change or repeal the provisions contained in its Articles of Incorporation in a manner now or hereinafter prescribed by statute, and all rights conferred on Officers, Directors or Stockholders herein are subject to this reservation.

6. FURTHER ASSURANCES. If at any time GRAND LIFESTYLES RESORTS determines that additional conveyances, documents or actions are necessary to carry out the provisions of this Plan of Merger, the Officers and Directors of BROGELFER, as of the effective date of this Merger, shall execute such conveyances or documents or take such action.

8. EFFECTIVE DATE. Pursuant to Florida Statutes §§607.1105(1)(b) and 607.1101(3)(b), the effective date of this Merger shall be the latter of (i) the close of business on March 31, 2002, or (ii) the date the Articles of Merger are filed with the Department of State, State of Florida.

**(END OF PLAN OF MERGER)**

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12. On the effective date of the Merger, the separate existence of BROGELFER shall cease, and all of the rights, privileges, immunities, and franchises, of a public as well as a private nature, shall be transferred to, vest in and devolve upon GRAND LIFESTYLES RESORTS as the surviving corporation, without further act or deed. Confirmatory deeds, assignments or other like instruments, when deemed desirable by the surviving corporation to evidence such transfer, vesting or devolution of any property, rights, privileges or franchises, shall at any time, or from time to time, be made and delivered in the name of BROGELFER by the last acting officers thereof or by, the corresponding officers of the surviving corporation.

13. Pursuant to Florida Statutes §§607.1105(1)(b) and 607.1101(3)(b), the effective date of this Merger shall be the latter of (i) the close of business on March 31, 2002, or (ii) the date the Articles of Merger are filed with the Department of State, State of Florida.

Signed this 1<sup>ST</sup> day of April, 2002.

ATTEST:

Laurie Keeling  
Jan Rains  
Laurie Keeling  
Jan Rains

GRAND LIFESTYLES RESORTS,  
INC.

By: [Signature]  
MICHAEL L. BROWNING  
Its President

By: [Signature]  
MARK Z. FINIGAN  
Its Secretary

ATTEST:

**BROGELFER DEVELOPMENT  
CORPORATION**

*Marie Kelling*  
*Jan Rains*

By: *M L Browning*  
MICHAEL L. BROWNING  
Its President

*Michael Landow*

By: *Richard F. Ferrell*  
RICHARD F. FERRELL



Crystal Joy Sandt  
Commission # DD 004496  
Expires Feb. 25, 2005  
Bonded Thru  
Atlantic Bonding Co., Inc.

STATE OF FLORIDA       )  
                                  ) SS:  
COUNTY OF MONROE    )

*Crystal Joy Sandt*      4/1/02  
*Crystal Joy Sandt*

BEFORE ME personally appeared MICHAEL L. BROWNING, the signor, who personally appeared before me at the time of this notarization and who is personally known to me or has produced Florida Drivers License as identification and is known to be the person described in and who executed the foregoing instrument as President of GRAND LIFESTYLES RESORTS, INC., and as President of BROGELFER DEVELOPMENT CORPORATION, acknowledged to and before me that he executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 1<sup>ST</sup> day of April, 2002.



[Seal]

Jan Rains  
MY COMMISSION # CC826641 EXPIRES  
April 14, 2003  
BONDED THRU TROY FAIN INSURANCE, INC.

Jan Rains  
Notary Public  
State of Florida at Large  
My Commission No.: CC 826641  
My Commission Expires: 4-14-2003

STATE OF FLORIDA     )  
                                  ) SS:  
COUNTY OF MONROE    )

BEFORE ME personally appeared MARK Z. FINIGAN, the signor who personally appeared before me at the time of this notarization and who is personally known to me or has produced \_\_\_\_\_ as identification and is known to be the person described in and who executed the foregoing instrument as Secretary of GRAND LIFESTYLES RESORTS. INC., a Florida corporation, and acknowledged to and before me that he executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 1<sup>ST</sup> day of April, 2002.



[Seal] Jan Rains  
MY COMMISSION # CC826641 EXPIRES  
April 14, 2003  
BONDED THRU TROY FAIN INSURANCE, INC.

Jan Rains  
Notary Public  
State of Florida at Large  
My Commission No.: CC 826641  
My Commission Expires: 4-14-2003

STATE OF FLORIDA     )  
                                      ) SS:  
COUNTY OF SARASOTA )

*Richard F. Ferrell*

BEFORE ME personally appeared RICHARD F. FERRELL, the signor who personally appeared before me at the time of this notarization and who is personally known to me or has produced FLORIDA DRIVER'S LICENSE as identification and is known to be the person described in and who executed the foregoing instrument as DIRECTOR of BROGELFER DEVELOPMENT CORPORATION, and acknowledged to and before me that he executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 1<sup>st</sup> day of April, 2002.

[Seal]



Crystal Joy Sandt  
Commission # DD 004496  
Expires Feb. 25, 2005  
Bonded Thru  
Atlantic Bonding Co., Inc.

*Crystal Joy Sandt*

Notary Public  
State of Florida at Large  
My Commission : DD 004496  
My Commission Expires: 2/25/05

This instrument prepared by:

Harold E. Wolfe, Jr., Esq. (of Counsel)  
Browning, Eden & Sireci, P.A.  
402 Appelrouth Lane  
Key West, FL 33040  
Telephone: (305) 293-8888