

P94000010202

ARTICLES OF MERGER
Merger Sheet

MERGING:

FLORIDA PHARMACEUTICAL RESEARCH CORP., a Florida corporation,
P94000010202

INTO

CLINSITES/FLORIDA PHARMACEUTICAL RESEARCH CORP., a North
Carolina corporation not qualified in Florida.

File date: April 11, 1997

Corporate Specialist: Joy Moon-French

**CORPORATE
ACCESS,
INC.**

1116-D Thomasville Road . Mount Vernon Square . Tallahassee, Florida 32303

P.O. Box 37066 (32315-7066) ~ (904) 222-2666 or (800) 969-1666 . Fax (904) 222-1666

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Merger

1.) Florida PHARMACEUTICAL Research Corp.

(CORPORATE NAME & DOCUMENT #)

2.) _____

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3.) _____

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SPECIAL INSTRUCTIONS _____

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TALLAHASSEE FLORIDA

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Sandra B. Mortham
Secretary of State

April 11, 1997

CORPORATE ACCESS, INC.

TALLAHASSEE, FL

SUBJECT: FLORIDA PHARMACEUTICAL RESEARCH CORP.
Ref. Number: P94000010202

Corrected
4/11/97
cm

We have received your document for FLORIDA PHARMACEUTICAL RESEARCH CORP. and your check(s) totaling \$70.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

Paragraphs 1 (d) & (i) refer to schedules A & B --- these schedules must be attached or the reference to them removed from the document.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (904) 487-6957.

Joy Moon-French
Corporate Specialist

Letter Number: 497A00018375

97 APR 11 1997
DIVISION OF CORPORATIONS

ARTICLES OF MERGER
MERGING
FLORIDA PHARMACEUTICAL RESEARCH CORP.,
a Florida Corporation
INTO
CLINSITES/FLORIDA PHARMACEUTICAL RESEARCH CORP.,
a North Carolina Corporation

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TALLAHASSEE FLORIDA

Pursuant to Section 55-11-05 of the North Carolina Business Corporation Act and Section 607.1105 of the Florida Business Corporation Act, CLINSITES/FLORIDA PHARMACEUTICAL RESEARCH CORP., a North Carolina corporation ("Merger Sub"), hereby submits these Articles of Merger for the purpose of merging FLORIDA PHARMACEUTICAL RESEARCH CORP., a Florida corporation ("FPR") with and into Merger Sub:

1. The following Plan of Merger (the "Plan of Merger") was approved and adopted by the sole shareholder of Merger Sub as of April 11, 1997 and by the all of the shareholders of FPR as of April 11, 1997:

(a) Subject to the terms and conditions of the Merger Agreement, dated as of April 11, 1997, by and among Merger Sub, FPR and Clinical Site Services Corp. ("ClinSites"), a Tennessee corporation and the sole shareholder of Merger Sub, upon effectiveness of these Articles of Merger (the "Effective Time"), FPR shall be merged with and into Merger Sub and the separate corporate existence of FPR shall thereupon cease (the "Merger"). Merger Sub shall be the surviving corporation in the Merger (the "Surviving Corporation") and shall be a wholly owned subsidiary of ClinSites. The Merger shall have the effects specified in Section 55-11-06 of the North Carolina Business Corporation Act ("NCBCA") and Section 607.1106 of the Florida Business Corporation Act ("FBCA").

(b) The Articles of Incorporation and Bylaws of Merger Sub in effect immediately prior to the Effective Time shall be the Articles of Incorporation and Bylaws of the Surviving Corporation, until duly amended in accordance with applicable law.

(c) The directors of the Surviving Corporation, as of the Effective Time, shall be D. Scott Davis, Barrie M. Phillips, Ph.D., Art Ziegler and Barry Katz. The officers of the Surviving Corporation, as of the Effective Time, shall be Art Ziegler, as President; Barry Katz, as Chief Financial Officer; and Traci Locke, as Secretary.

(d) At the Effective Time, each share of Common Stock, \$1.00 par value, of FPR (the "FPR Common Stock") issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive (i) \$500, payable in cash at the closing of the Merger (the "Closing"); (ii) \$500, payable at Closing in the form of a ClinSites promissory note (each a "ClinSites Note"), which ClinSites Notes shall be subject to the terms and provisions set forth in paragraph (i) below; and (iii) 1,333.33 shares of Common Stock, no par value, of ClinSites (the "ClinSites Common Stock"), a portion of which shares shall be delivered at Closing with the remainder to be held in escrow and released upon the satisfaction of certain contingencies as described in Schedule A hereto.

(e) As a result of the Merger and without any action on the part of the holder thereof, at the Effective Time all shares of FPR Common Stock shall cease to be outstanding and shall be cancelled and retired and shall cease to exist, and each holder of shares of FPR Common Stock shall thereafter cease to have any rights with respect to such shares of FPR Common Stock, except the right to receive, without interest, the consideration set forth in paragraph (d) above upon the surrender of a certificate (a "Certificate") representing such shares of FPR Common Stock.

(f) Each share of FPR Common Stock issued and held in FPR's treasury at the Effective Time shall, by virtue of the Merger, cease to be outstanding and shall be cancelled and retired without payment of any consideration therefor.

(g) As of the Effective Time, ClinSites shall deliver to the holders of shares of FPR Common Stock, in exchange for Certificates representing outstanding shares of FPR Common Stock, (i) cash as provided in paragraph (d) above, (ii) ClinSites Notes as provided in paragraph (d) above, and (iii) certificates representing the shares of ClinSites Common Stock as provided in paragraph (d) above.

(h) In lieu of the issuance of fractional shares of ClinSites Common Stock, each shareholder of FPR, upon surrender of a certificate which immediately prior to the Effective Time represented FPR Common Stock, shall be entitled to receive a cash payment (without interest) equal to the fair market value of any fraction of a share of ClinSites Common Stock to which such holder would be entitled but for this provision. For purposes of calculating such payment, the fair market value of a fraction of a share of ClinSites Common Stock shall be such fraction multiplied by \$1.50.

(i) Each ClinSites Note shall bear interest at an annual rate of twelve percent (12%), payable quarterly. Principal on each ClinSites Note shall be payable in two equal installments on each of the first and second anniversaries of the Closing. Notwithstanding the foregoing, the outstanding principal balance of each ClinSites Note shall be reduced in certain circumstances, as and to the extent set forth on Schedule B hereto.

2. The Merger shall become effective on the date these Articles of Merger have been filed with both the North Carolina Secretary of State and the Florida Department of State.

3. Upon effectiveness of the Merger, the Articles of Incorporation of the Surviving Corporation shall be amended to change the name of the Surviving Corporation to "Florida Pharmaceutical Research Corp."

IN WITNESS WHEREOF, Merger Sub and FPR have caused these Articles of Merger to be duly executed by their respective duly authorized officers as of this ____ day of April, 1997.

CLINSITES/FLORIDA PHARMACEUTICAL
RESEARCH CORP.

By: D. Scott Davis
D. Scott Davis,
President

FLORIDA PHARMACEUTICAL RESEARCH,
CORP.


By: _____
Arthur Ziegler,
President

IN WITNESS WHEREOF, Merger Sub and FPR have caused these Articles of Merger to be duly executed by their respective duly authorized officers as of this ____ day of April, 1997.

CLINSITES/FLORIDA PHARMACEUTICAL
RESEARCH CORP.

By: _____
D. Scott Davis,
President

FLORIDA PHARMACEUTICAL RESEARCH,
CORP.

By:  _____
Arthur Ziegler,
President

Schedule 3.01

1. Shares of ClinSites Common Stock to be Delivered at Closing. In exchange for each share of Common Stock of FPR, ClinSites shall deliver 888.89 shares of ClinSites Common Stock at Closing.
2. Shares of ClinSites Common Stock to be Held in Escrow. ClinSites shall hold in escrow 133,333.33 shares of ClinSites Common Stock (such shares are the "Escrow Shares"), to be delivered by ClinSites to the former holders of the FPR Common Stock pursuant to Paragraph 3 of this Schedule, if at all.
3. Delivery of the Escrow Shares. Within thirty (30) days of the date which is eighteen (18) months from April 1, 1997 (such eighteen (18) month period is the "Measurement Period"), ClinSites shall deliver the Escrow Shares, or portions thereof, pursuant to the Merger Sub's achievement of the following financial results:
 - a. If Merger Sub's EBDIT, as defined herein, during the Measurement Period, is less than \$100,000.00, then none of the Escrow Shares will be delivered by ClinSites.
 - b. If Merger Sub's EBDIT, as defined herein, during the Measurement Period, is equal to or greater than \$100,000.00, but less than \$125,000.00, then 66,666.67 shares of the Escrow Shares will be delivered by ClinSites to the former holders of the FPR Common Stock.
 - c. If Merger Sub's EBDIT, as defined herein, during the Measurement Period, is equal to or greater than \$125,000.00, but less than \$150,000.00, then 100,000 shares of the Escrow Shares will be delivered by ClinSites to the former holders of the FPR Common Stock.
 - d. If Merger Sub's EBDIT, as defined herein, during the Measurement Period, is equal to or greater than \$150,000.00, then all of the Escrow Shares will be delivered by ClinSites to the former holders of the FPR Common Stock.
4. "EBDIT" Defined. The term "EBDIT", when used in this Schedule, shall mean, for any four (4) consecutive fiscal quarters during the Measurement Period (provided that the four (4) consecutive quarters most favorable to the former holders of the FPR Common Stock shall be used), Merger Sub's operating income before deduction of amounts due to interest, depreciation and state or federal taxes, which operating income shall be calculated using substantially similar accounting methods to those employed by FPR for the fiscal year ended December 31, 1996 and without regard to corporate overhead allocations with respect to ClinSites or its affiliates.

Schedule 3.05

1. Reduction of First Installment of Principal of ClinSites Notes. The first installment of principal due on each ClinSites Note shall be reduced by One Dollar (\$1.00) for each One Dollar (\$1.00) by which Merger Sub's Pre Tax Profit, as defined below, is less than \$135,356.
2. Reduction of Second Installment of Principal of ClinSites Notes. The second installment of principal due on each ClinSites Note shall be reduced by One Dollar (\$1.00) for each One Dollar (\$1.00) by which Merger Sub's Pre Tax Profit, as defined below, is less than \$148,892.
3. Limitation on Reduction. In no event shall the first or second installment of principal on any ClinSites Note be reduced, pursuant to Paragraph 1 or 2 above, more than \$25,000.
4. "Pre Tax Profit" Defined. The term "Pre Tax Profit", when used in this Schedule, shall mean, with respect to the first installment, during the period beginning April 1, 1997 and ending March 31, 1998, and, with respect to the second installment, during the period beginning April 1, 1998 and ending March 31, 1999, Merger Sub's net income before deduction of amounts due to state or federal taxes, which net income shall be calculated using substantially similar accounting methods to those employed by FPR for the fiscal year ended December 31, 1996 and without regard to corporate overhead allocations with respect to ClinSites or its affiliates.

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