P96000103887

THE UNITED STATES CORPORATION COMPANY

ACCOUNT NO. : 072100000032

REFERENCE : 244151 7120595

AUTHORIZATION :

COST LIMIT : $ PPD

FILED
97 JAN 31 PM 4:26
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ORDER DATE : January 31, 1997

ORDER TIME : 10:32 AM

ORDER NO. : 244151-005

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-01/31/97--01064--010
*****70.00 *****70.00

CUSTOMER NO: 7120595

CUSTOMER: Mr. Alan Bernstein
Alan Bernstein, P.a.
4869-4 Okeechobee Boulevard

West Palm Beach, FL 33417

ARTICLES OF MERGER

KAHL FOOT CARE SPECIALIST,
P.C.

INTO

PSP ROYALTY COMPANY

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

_____ CERTIFIED COPY
XX _____ PLAIN STAMPED COPY

CONTACT PERSON: Susana Romagosa

EXAMINER'S INITIALS:

RECEIVED
97 JAN 31 AM 11:41
DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

N. HENDRICKS JAN 31 1997

ARTICLES OF MERGER
Merger Sheet

MERGING:

KAHL FOOT CARE SPECIALISTS, P.C., A NON QUALIFIED MICHIGAN CORPORATION.

INTO

PSP ROYALTY COMPANY, a Florida corporation, P96000103887.

File date: January 31, 1997

Corporate Specialist: Nancy Hendricks

FILED
97 JAN 31 PM 4:26
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER

These Articles of Merger entered into this 1st day of February, 1997, by and between Kahl Foot Care Specialists, P.C., a Michigan corporation, (hereinafter called the Michigan Company), and PSP Royalty Company, a Florida corporation, (hereinafter called the Florida Company).

WITNESSETH:

WHEREAS, the Michigan Company has an authorized capital stock consisting of 50,000 shares of Common Stock, par value $1.00 per share, of which 1000 shares have been duly issued and are now outstanding; and

WHEREAS, the Florida Company has an authorized capital stock consisting of 500 shares of Common Stock, par value $1.00 per share, of which 500 shares were duly issued and outstanding; and

WHEREAS, the Boards of Directors of the Michigan Company and of the Florida Company, respectively, deem it advisable and generally to the advantage and welfare of the two corporate parties and their respective shareholders that the Florida Company merge with the Michigan Company under and pursuant to the provisions of Florida Business Corporation Act and the Michigan Business Corporation Act; and

WHEREAS, the respective shareholders of the Florida Company and the Michigan Company have approved the terms and conditions of the merger pursuant to the Agreement and Plan of Merger attached hereto.

NOW, therefore, in consideration of the premises and of the mutual agreements herein contained and of the mutual benefits hereby provided, it is agreed by and between the parties hereto as follow:

1. Approval. On January 28, 1997, the directors of the Florida Company and the directors of the Michigan Company unanimously adopted and approved theses Articles of Merger by Written Consents to Action, each dated January 28, 1997. These Articles of Merger were unanimously approved in their entirety by the shareholders of both the Michigan Company and the Florida Company by Written Consents to Action, each dated January 28, 1997.

2. Merger. The Michigan Company shall be and hereby is merged into the Florida Company.

3. Effective Date. These Articles of Merger shall become effective immediately upon compliance with the laws of the States of Michigan and Florida, the time of such effectiveness being hereinafter called the Effective Date.

4. Surviving Corporation. The Florida Company shall survive the merger herein contemplated and shall continue to be governed by the laws of the State of Florida, but the separate corporate existence of the Michigan Company shall cease forthwith upon the Effective Date.

5. Authorized Capital. The authorized capital stock of the Florida Company following the Effective Date shall be 500 shares of Common Stock, par value $1.00 per share, unless and until the same shall be changed in accordance with the laws of the State of Florida.

6. Articles of Incorporation. The Articles of Incorporation of the Florida Company following the Effective Date unless and until the same shall be amended or repealed in accordance with the provisions thereof, which power to amend or repeal is hereby expressly reserved, and all rights or powers of whatsoever nature conferred in such Articles of Incorporation or herein upon any shareholder or director or officer of the Florida Company or upon any other person whomsoever are subject to this reserve power, shall continue as the Articles of Incorporation of the Florida Company as the surviving corporation. Such Articles of Incorporation shall constitute the Articles of Incorporation of the Florida Company separate and apart from these Articles of Merger and may be separately certified as the Articles of Incorporation of the Florida Company.

7. Bylaws. The Bylaws of the Florida Company shall be the Bylaws of the Florida Company as the surviving corporation following the Effective Date unless and until the same shall be amended or repealed in accordance with the provisions thereof.

8. Further Assurance of Title. If at any time, the Florida Company shall consider or be advised that any acknowledgements or assurances in law or other similar actions are necessary or desirable in order to acknowledge or confirm in and to the Florida Company any right, title, or interest of the Michigan Company held immediately prior to the Effective Date, the Michigan Company and its proper officers and directors shall and will execute and deliver all such acknowledgements or assurances in law and do all things necessary or proper to acknowledge or confirm such right, title, or interest in the Florida Company as shall be necessary to carry out the purposes of these Articles of Merger, and the Florida Company and the proper officers and directors thereof are fully authorized to take any and all such action in the name of the Michigan Company or otherwise.

9. Retirement of Organization Stock. Forthwith upon the Effective Date, each of the 500 shares of the Common Stock of the Florida Company presently issued and outstanding shall remain issued and no additional shares of Common Stock or other securities of the Florida Company outstanding shall be issued in respect thereof.

10. Conversion of Outstanding Stock. Forthwith upon the Effective Date, each of the issued and outstanding shares of Common Stock of the Michigan Company and all rights in respect thereof shall be cancelled, and each certificate nominally representing shares of Common Stock of the Michigan Company shall not, for any purposes, be deemed to evidence the

ownership of any number of shares of Common Stock of the Florida Company. The Michigan Company and the Florida Company were each wholly owned by the same shareholder immediately prior to the Effective Date of the merger.

11. Book Entries. The merger contemplated hereby shall be treated as a pooling of interests and as of the Effective Date entries shall be made upon the books of the Florida Company in accordance with the following:

(a) The assets and liability of the Michigan Company shall be recorded at the amounts at which they are carried on the books of the Michigan Company immediately prior to the Effective Date.

(b) There shall be credited to Capital Account of the Florida Company the aggregate amount of the par value per share of all of the Common Stock of the Michigan Company immediately prior to the Effective Date.

(c) There shall be credited to Capital Surplus Account an amount equal to that carried on the Capital Surplus Account of the Michigan Company immediately prior to the Effective Date.

(d) There shall be credited to Earned Surplus Account an amount equal to that carried on the Earned Surplus Account of the Michigan Company immediately prior to the Effective Date.

12. Directors. The names of the first directors of the Florida Company following the Effective Date, who shall be two (2) in number and who shall hold office from the Effective Date until their successors shall be elected and shall qualify, are as follows:

Name	Address
Robert L. Kahl	2274 Niki Jo Lane
Gwen Kahl	Palm Beach Gardens, FL 33410

13. Officers. The names of the first officers of the Florida Company following the Effective Date, who shall be five in number and who shall hold office from the Effective Date until their successors shall be appointed and shall qualify or until they shall resign or be removed from office, are as follows:

Name	Offices
Robert L. Kahl	President
	Vice President
Gwen Kahl	Secretary
Robert L. Kahl	Treasurer

14. Vacancies. If, upon the Effective Date, a vacancy shall exist in the Board of Directors or in any of the offices of the Florida Company as the same are specified above, such vacancy shall thereafter be filled in the manner provided by law and the By-laws of the Florida Company.

15. Amendment. These Articles of Merger cannot be altered or amended, except pursuant to an instrument in writing signed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused these Articles of Merger to be executed by the President and Secretary of each of them pursuant to authority given by their respective Boards of Directors.

"Michigan Company"

Approved by the Board of
Directors and sole
Shareholder by written consent
held on January ~~28~~ 30, 1997

By: _____
Robert L. Kahl
Its: President

Attest: _____
Robert L. Kahl, Secretary

"Florida Company"

Approved by the Board of
Directors and sole
Shareholder by written consent
on January ~~28~~ 30, 1997

By: _____
Robert L. Kahl
Its: President

Attest: _____
Robert L. Kahl, Secretary

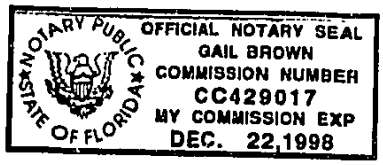
STATE OF FLORIDA)
COUNTY OF Palm Beach)

On this ~~28~~ 30th day of January, 1997, before me, the undersigned, personally appeared Robert L. Kahl, known to me to be the President and Secretary of Kahl Foot Care Specialists, P.C., a corporation organized and existing under the laws of the State of Michigan, who acknowledged to me that the foregoing constitutes the Articles of Merger of Kahl Foot Care Specialists, P.C. and PSP Royalty Company, and that he has has executed the foregoing instrument in his capacity as officers of said corporation as the free act, deed and agreement of said corporation.

IN WITNESS WHEREOF, I have set my hand and official seal the day and year first above written.

Gail Brown
Notary Public GAIL BROWN

My Commission Expires: _____



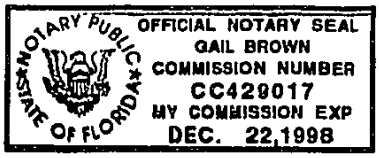
STATE OF FLORIDA)
COUNTY OF PALM BEACH)

On this ~~28th~~ 30 day of January, 1997, before me, the undersigned, personally appeared Robert L. Kahl, known to me to be the President and Secretary of PSP Royalty Company, a corporation organized and existing under the laws of the State of Florida, who acknowledged to me that the foregoing constitutes the Articles of Merger of Kahl Foot Care Specialists, P.C. and PSP Royalty Company, and he has executed the foregoing instrument in his capacity as officers of said corporation as the free act, deed and agreement of said corporation.

IN WITNESS WHEREOF, I have set my hand and official seal the day and year first above written.

Gail Brown
Notary Public GAIL BROWN

My Commission Expires: _____



AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER executed on the date(s) appearing opposite the signatures appearing at the end of this document, but effective at the start of business on February 1, 1997, between PSP ROYALTY COMPANY, a Florida corporation ("PSP"), the address of which is 4869-4 Okeechobee Blvd., West Palm Beach, Florida, 33467 and KAHL FOOT CARE SPECIALISTS, P.C., a Michigan corporation ("FOOTCARE"), the address of which is 30600 Northwestern Highway, Suite 245, Farmington Hills, MI 48334, being sometimes referred to herein as the "Constituent Corporations".

WHEREAS, the Board of Directors of each Constituent Corporation deems it advisable for the general welfare of its Constituent Corporation and its Shareholders that the Constituent Corporations merge into a single corporation pursuant to this Agreement and the applicable laws of the States of Florida and Michigan; and

WHEREAS, the Constituent Corporations desire to adopt this Agreement as a Plan or Reorganization and to consummate the merger in accordance with the provisions of Section 368(a)(1)(A) of the Internal Revenue Code of 1986 as amended.

NOW, THEREFORE, the Constituent Corporations agree that FOOTCARE shall be merged with and into PSP as the surviving corporation in accordance with the applicable laws of the States of Florida and Michigan (which, in its capacity as surviving corporation, is hereinafter called the "Surviving Corporation"), and that the terms and conditions of the merger and the mode of carrying it into effect shall be as follows:

1. EFFECTIVE DATE

The merger provided for in this Agreement shall become effective on at the start of business on February 1, 1997, ("Effective Date") upon the completion of the following:

a. Adoption of this Agreement by the Shareholders of PSP and FOOTCARE pursuant to the Business Corporation Acts of the States of Michigan and Florida.

b. Execution and filing of the Certificate of Merger required by the Michigan Business Corporation Act with the Department of Consumer and Industry Services Corporation, Securities and Land Development Bureau of the State of Michigan in accordance with the Business Corporation Act of the State of Michigan and the execution and filing of the Articles of Merger required by the Florida statutes with the Department of State in accordance with the statutes of the State of Florida.

The Constituent Corporations shall agree upon the date on which the Certificate of Merger shall be filed with the Department of Consumer and Industry Services Corporation, Securities and Land Development Bureau of the State of Michigan, and upon the date on which the Articles of Merger shall be filed with the Department of

State of the State of Florida; but such filings shall take place with reasonable promptness after the approval of this Agreement by the Shareholders of the Constituent Corporations and the fulfillment or waiver of the terms and conditions in Sections 12 and 13.

2. GOVERNING LAW

The Surviving Corporation shall be governed by the laws of the State of Florida.

3. ARTICLES OF INCORPORATION

The Articles of Incorporation of PSP as in effect on the date of this Agreement shall be the Articles of Incorporation of the Surviving Corporation from and after the Effective Date, subject to the right of the Surviving Corporation to amend its Articles of Incorporation in accordance with the laws of the State of Florida.

4. BY-LAWS

The By-Laws of the Surviving Corporation shall be the By-Laws of PSP as in effect on the date of this Agreement, subject to the right of the Surviving Corporation to amend its By-Laws in accordance with the laws of the State of Florida.

5. MANNER OF CONVERTING SHARES

a. Conversion

The mode of carrying the merger into effect and the manner and basis of converting the shares of PSP and FOOTCARE into shares of the Surviving Corporation are as follows:

i. Each share of Common Stock, One Dollar ($1.00) per share par value of PSP ("PSP Common Stock") which is issued and outstanding on the Effective Date, other than shares owned by PSP shall, by virtue of the merger and without any action on the part of the holder thereof, remain issued and outstanding.

ii. The One Dollar ($1.00) per share par value shares of Common Stock of FOOTCARE, ("FOOTCARE Common Stock") which are issued and outstanding on the Effective Date, shall, by virtue of the merger and without any action on the part of the holder thereof, be cancelled, as both corporations party to the merger are wholly owned by the same Shareholder.

b. Exchange of Certificates

As promptly as practicable after the Effective Date, each holder of an outstanding certificate or certificates theretofore representing each share of FOOTCARE Common Stock shall surrender the same to Robert Kahl, who is the Secretary of PSP ("Exchange Agent"), at 1907 Mainsail Circle, Jupiter, Florida, 33477 for cancellation.

c. Unexchanged Certificates

Until surrendered, each outstanding certificate which, prior to the Effective Date, represented FOOTCARE Common Stock shall be deemed for all purposes to have been cancelled; and no dividend or other distribution payable to holders of PSP Common Stock One Dollar ($1.00) per share par value as of any date subsequent to the Effective Date shall be paid to the holders of outstanding certificates therefor, until surrender and cancellation of the shares of FOOTCARE Common Stock; provided, however, that upon surrender and cancellation of such outstanding certificates of FOOTCARE Common Stock there shall then be paid to the record holders of PSP Common Stock the amount, without interest thereon, of dividends and other distributions which would have been payable with respect to the shares of PSP Common Stock One Dollar ($1.00) per share par value had the FOOTCARE Common Stock been timely surrendered.

6. BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND OFFICERS

Until the election and qualification of their successors, any agreements or By-Laws to the contrary notwithstanding, the members of the Board of Directors of the Surviving Corporation shall consist of the members of the Board of Directors of PSP on the date of this Agreement.

The elected officers of PSP shall continue in office at the pleasure of the Board of Directors of the Surviving Corporation, until the election and qualification of their successors.

7. EFFECT OF THE MERGER

On the Effective Date, the separate existence of FOOTCARE shall cease (except insofar as continued by statute) and it shall be merged with and into the Surviving Corporation. PSP, the Surviving Corporation, assumes all rights, privileges, assets and liabilities of FOOTCARE, the non-survivor. All the property, real, personal and mixed, of each of the Constituent Corporations, and all debts due to either of them, shall be transferred to and vested in the Surviving Corporation, without further act or deed. The Surviving Corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the Constituent Corporations, and any claim or judgment against either of the Constituent Corporations may be enforced against the Surviving Corporation.

The assets and liabilities of the Constituent Corporations on the Effective Date shall be taken up on the books of the Surviving Corporation at the amounts at which they shall be carried at that time on the books of the respective Constituent Corporations. The amount of capital of the Surviving Corporation shall be equal to the sum of the aggregate amount of the stated value of the Common Stock to be issued in the merger and of the aggregate stated value of the Common Stock that will remain issued upon the merger. The surplus, if any, of the Surviving Corporation, including any

surplus, if any, arising in the merger, shall be available to be used for any legal purposes for which surplus may be used under the applicable statutes enacted by the State of Florida.

8. APPROVAL OF SHAREHOLDERS

This Agreement shall be submitted to the Shareholders of the Constituent Corporations as provided by the applicable laws of the State of Michigan at meetings called for that purpose. There shall be required for the adoption of this Agreement the affirmative vote of the holders of at least a majority of all the shares of the Common Stock issued and outstanding and entitled to vote of each of the Constituent Corporations.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF FOOTCARE

(For purposes of this Section, FOOTCARE shall be referred to as "Acquired Corporation" and PSP shall be referred to as "Acquiring Corporation".)

As a material inducement to the Acquiring Corporation to execute this Agreement and perform its obligations hereunder, the Shareholder of the Acquired Corporation represent and warrant to Acquiring Corporation as follows:

i. Corporate Standing. Acquired Corporation is a corporation duly organized, validly existing, and in good standing under the laws of the State of Michigan, with corporate power and authority to own property and carry on its business as it is now being conducted. Acquired Corporation is qualified to transact business as a foreign corporation and is in good standing in all jurisdictions in which its principal properties are located and business is transacted.

ii. Capitalization. Acquired Corporation has an authorized capitalization of 50,000 shares of common stock, One Dollar ($1.00) each without par value, of which on the date hereof, 1000 shares are issued and outstanding, fully paid, and nonassessable and are not subject to any liens, encumbrances or claims of every kind (excluding Treasury shares).

iii. Tax Returns. All federal, state and local tax returns required to be filed by the Acquired Corporation prior to the Effective Date, not including any tax return for the short taxable year ending on the Effective Date, will have been filed, and all taxes required to be paid on or before the Effective Date will have been paid.

The Acquired Corporation shall supply the Acquiring Corporation with the personal property tax statement most recently filed on behalf of the Acquired Corporation, and records of all personal property tax payments made as of the Effective Date.

There are no claims against the Acquired Corporation for federal, state, local or any taxes for any period ending on or prior to the Effective Date. All federal, state and local tax returns filed by the Acquired Corporation for its last three fiscal years shall be furnished to Acquiring Corporation.

iv. Accounts Receivable. Acquired Corporation will use its best efforts to collect the accounts receivable owned by it on or prior to the Effective Date and will follow its past practices in connection with the extension of any credit prior to the Effective Date.

v. Fixed Assets. All fixed assets owned by Acquired Corporation and employed in Acquired Corporation's business are of the type, kind and condition appropriate for its business and will be operated in the ordinary course of business until the Effective Date.

vi. Leases. All leases now held by Acquired Corporation are now and will be on the Effective Date in good standing and not voidable or void by reason of any default whatsoever. Acquired Corporation shall be responsible for obtaining the consent of the lessors of any property now leased to the Acquired Corporation for which consent is required to enable to transfer the benefits of the Acquired Corporation's leasehold interest to the Acquiring Corporation.

vii. Absence of Broker. Acquired Corporation has not been represented by any broker in connection with the transaction contemplated herein and no brokerage or finder fee is due as the result of the transaction contemplated herein.

viii. Director Approval. Acquired Corporation's Board of Directors has, subject to the authorization and approval of its stockholders, authorized and approved the execution and delivery of this Agreement, and the performance of the transaction contemplated by this Agreement.

ix. Financial Statements.

(1) Deliveries of Financial Statements prior to Merger. The Acquired Corporation has delivered to Acquiring Corporation copies of the following financial statements of the Acquired Corporation:

(a) Balance sheet as of December 31, 1996 (hereinafter referred to as "Acquired Corporation's Balance Sheet Date"); and

(b) Profit and Loss Statements for the period ended December 31, 1996.

(2) Deliveries of Financial Statements after Merger. A Balance Sheet for the Acquired Corporation as of the effective date of this Agreement and Profit and Loss Statements and Statements of the Source and Application of Funds for the Acquired Corporation for the period beginning on the Acquired Corporation's Balance Sheet Date (as previously defined) and ending on the Effective Date of this Agreement shall be prepared by the shareholders of the Acquired Corporation and presented to the Acquiring Corporation by March 31, 1997.

(3) Representations regarding Financial Statements. Except as only to the extent expressly disclosed on the financial statements identified as being delivered pursuant to this section, such financial statements have been prepared on the accrual basis of accounting applied on a consistent basis throughout the periods indicated, and present fairly the financial condition of the Acquired Corporation and results of operation for the periods indicated therein.

x. Liabilities. The Acquired Corporation has delivered to the Acquiring Corporation an accurate list as of the date of this Agreement of all liabilities of Acquired Corporation.

xi. Permits. The Acquired Corporation has delivered to the Acquiring Corporation an accurate list and summary description as of the date of this Agreement of all permits, licenses, franchises, certificates, trademarks, trade names, patents, patent application and copyrights owned or held by Acquired Corporation.

xii. Assets. The Acquired Corporation has delivered to Acquiring Corporation a full and accurate list as of the Acquired Corporation's Balance Sheet Date of all properties and assets of the Acquired Corporation. The Acquired Corporation has not acquired or sold or otherwise disposed of any such properties or assets except in the ordinary course of business.

xiii. Contracts. The Acquired Corporation has delivered to the Acquiring Corporation an accurate and complete list as of the Effective Date of all contracts and agreements to which the Acquired Corporation is party or by which it or any of its properties bound (including, but not limited to, joint venture or partnership agreements, contracts with any labor organizations, loan agreements, bonds, mortgages, liens, pledges or other security agreements) other than contracts with a term of thirty (30) days or less, contracts which are terminable by Acquired Corporation without liability, or client

engagements. None of such contracts or agreements contain covenants or restrictions which unduly burden or restrict the Acquired Corporation in the ordinary course of its business. The Acquired Corporation has complied with all material, commitments and obligations under all such contracts and agreements set forth in this section which it was obligated to comply with or perform as of the Effective Date.

xiv. Title. The Acquired Corporation has good and marketable title to all properties, assets and leasehold estates, real and personal, owned and used as business, and except as since sold or otherwise disposed of in the ordinary course of business), subject to no mortgage, pledge, liens, conditional sales agreement, encumbrance or charge, except for:

(1) Liens reflected on a separately delivered schedule as security for specified liabilities (with respect to which no default exists);

(2) Liens for current taxes and assessments not in default; and

(3) Liabilities reflected on its financial statements.

xv. Insurance. Acquired Corporation shall terminate all insurance policies now in effect. Termination to be effective as of the Effective Date.

xvi. Compensation and Employee Benefits. As of the Effective Date any qualified retirement plan of the Acquired Corporation shall be terminated or merged into the qualified retirement Plan of the Acquiring Corporation. There are no unpaid liabilities, contingent or otherwise owed to the plan by the Acquired Corporation. In the absence of a separate agreement to the contrary, the trustee of such plan(s) shall be allowed to directly transfer assets of such plan(s) into a comparable plan, if any, of the Acquiring Corporation.

xvii. Litigation. There are no actions, suits or proceedings pending, or threatened, against or affecting Acquired Corporation, before any Court, arbitrator or governmental or administrative body or agency which might result in any material adverse change in the value of stock in the Acquired Corporation (as constituted immediately before the merger) or in the ability of the Acquired Corporation to execute and deliver this Agreement or the other transaction documents, or to consummate the transactions herein and therein contemplated. A listing of any actions, suits or proceedings pending, or threatened, against or affecting

Acquired Corporation are listed in a schedule separately delivered to Acquiring Corporation.

xviii. Adverse Affect of Transaction. The Articles of Incorporation and Bylaws, as amended, and all leases, instruments, agreements, licenses, permits, certificates or other documents which have been delivered to the Acquiring Corporation pursuant to this Agreement in connection with the transactions completed hereby, are complete and correct, in all material respects; no party thereto is in default thereunder, the rights and parties of the Acquired Corporation thereunder will not be adversely affected by the transactions contemplated herein; and the execution of this Agreement and the performance of the obligations hereunder will not violate or result in a breach or constitute a default under any of the terms or provisions thereof. None of such leases, instruments, agreements, licenses, permits, certificates or other documents require notice to, or the consent or approval of, any governmental agency or other third party to any of the transactions contemplated herein.

xix. Post-Balance Sheet Date Actions. Since the Acquired Corporation's Balance Sheet Date there has not been:

(1) Any material or adverse change in the financial condition, assets, liabilities, (contingent or otherwise) income or business of the Acquired Corporation;

(2) Any event causing damage, destruction, or loss (whether or not covered by insurance) adversely affecting the properties or business of the Acquired Corporation;

(3) Any change in the authorized capital of the Acquired Corporation or in the securities of the Acquired Corporation outstanding;

(4) Any declaration or payment of any dividend or distribution in respect of the capital stock or any direct or indirect redemption, purchase or other acquisition of any of the capital stock of the Acquired Corporation;

(5) Any labor trouble, proposed laws, regulation, any event, or condition of any character, other than as identified in a schedule separately delivered to Acquiring Corporation, which affects the present or future business of the Acquired Corporation as now conducted in the ordinary course of its business; or

(6) Any material transaction entered into by the Acquired Corporation outside the ordinary course of its business.

xx. Disclosure. Neither this Agreement nor any certificate, statement, report or other document furnished or made available to Acquiring Corporation by the Acquired Corporation in connection with this Agreement or any other documents used or in connection with any transaction contemplated herein contained any untrue statement of material fact.

xxi. Reliance. Reliance upon the foregoing representations and warranties are made by the Acquired Corporation and Shareholders with the knowledge and expectation that the Acquiring Corporation is placing complete reliance thereon.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS OF PSP

(For purposes of this Section, FOOTCARE shall be referred to as "Acquired Corporation" and PSP shall be referred to as "Acquiring Corporation".)

As a material inducement to the Acquired Corporation to execute this Agreement and perform its obligations hereunder, the Shareholders of the Acquiring Corporation represent and warrant to Acquired Corporation as follows:

i. Corporate Standing. Acquiring Corporation is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate power and authority to own property and carry on its business as it is now being conducted. Acquiring Corporation is qualified to transact business as a foreign corporation and is in good standing in all jurisdictions in which its principal properties are located and business is transacted.

ii. Capitalization. Acquiring Corporation has an authorized capitalization of $500.00, divided into 500 shares of common stock, each of $1.00 par value, of which on the date hereof, 500 shares are issued and outstanding, fully paid, and nonassessable and are not subject to any liens, encumbrances or claims of every kind.

iii. Tax Returns. All federal, state and local tax returns required to be filed by the Acquiring Corporation prior to the Effective Date, not including any tax return for the short taxable year ending on the Effective Date, will have been filed, and all taxes required to be paid on or before the Effective Date will have been paid.

The Acquiring Corporation shall supply the Acquired Corporation with the personal property tax statement most recently filed on behalf of the Acquiring Corporation, and records of all personal property tax payments made as of the Effective Date.

There are no claims against the Acquiring Corporation for federal, state, local or any taxes for any period ending on or prior to the Effective Date. All federal, state and local tax returns filed by the Acquiring Corporation for its last three fiscal years shall be furnished to Acquired Corporation.

iv. Accounts Receivable. Acquiring Corporation will use its best efforts to collect the accounts receivable owned by it on or prior to the Effective Date and will follow its past practices in connection with the extension of any credit prior to the Effective Date.

v. Fixed Assets. All fixed assets owned by Acquiring Corporation and employed in Acquiring Corporation's business are of the type, kind and condition appropriate for its business and will be operated in the ordinary course of business until the Effective Date.

vi. Leases. All leases now held by Acquiring Corporation are now and will be on the Effective Date in good standing and not voidable or void by reason of any default whatsoever. Acquiring Corporation shall be responsible for obtaining the consent of the lessors of any property now leased to the Acquiring Corporation for which consent is required to enable to transfer the benefits of the Acquiring Corporation's leasehold interest to the Acquired Corporation.

vii. Absence of Broker. Acquiring Corporation has not been represented by any broker in connection with the transaction contemplated herein and no brokerage or finder fee is due as the result of the transaction contemplated herein.

viii. Director Approval. Acquiring Corporation's Board of Directors has, subject to the authorization and approval of its stockholders, authorized and approved the execution and delivery of this Agreement, and the performance of the transaction contemplated by this Agreement.

ix. Financial Statements.

(1) Deliveries of Financial Statements prior to Merger. The Acquiring Corporation has delivered to Acquired Corporation copies of the following financial statements of the Acquiring Corporation:

(a) Balance sheet as of December 31, 1996 (hereinafter referred to as "Acquiring Corporation's Balance Sheet Date"); and

(b) Profit and Loss Statements for the period ended December 31, 1996.

(2) Deliveries of Financial Statements after Merger. A Balance Sheet for the Acquiring Corporation as of the Effective Date of this Agreement and Profit and Loss Statements and Statements of the Source and Application of Funds for the Acquiring Corporation for the period beginning on the Acquiring Corporation's Balance Sheet Date (as previously defined) and ending on the Effective Date shall be prepared by the shareholders of the Acquiring Corporation and presented to the Acquired Corporation by March 31, 1997.

(3) Representations regarding Financial Statements. Except as only to the extent expressly disclosed on the statements signed by the Shareholders and identified as being delivered pursuant to this section, such financial statements have been prepared on the accrual basis of accounting applied on a consistent basis throughout the periods indicated, and present fairly the financial condition of the Acquiring Corporation and results of operation for the periods indicated therein.

x. Liabilities. The Acquiring Corporation has delivered to the Acquired Corporation an accurate list as of the date of this Agreement of all liabilities of Acquiring Corporation.

xi. Permits. The Acquiring Corporation has delivered to the Acquired Corporation an accurate list and summary description as of the date of this Agreement of all permits, licenses, franchises, certificates, trademarks, trade names, patents, patent application and copyrights (owned or held by Acquiring Corporation.

xii. Assets. The Acquiring Corporation has delivered to Acquired Corporation a full and accurate list as of the Acquiring Corporation's Balance Sheet Date of all properties and assets of the Acquiring Corporation. The Acquiring Corporation has not acquired or sold or otherwise disposed of any such properties or assets except in the ordinary course of business.

xiii. Contracts. The Acquiring Corporation has delivered to the Acquired Corporation an accurate and complete list as of the Effective Date of all contracts and agreements

to which the Acquiring Corporation is party or by which it or any of its properties bound (including, but not limited to, joint venture or partnership agreements, contracts with any labor organizations, loan agreements, bonds, mortgages, liens, pledges or other security agreements) other than contracts with a term of thirty (30) days or less, contracts which are terminable by Acquired Corporation without liability, or client engagements. None of such contracts or agreements contain covenants or restrictions which unduly burden or restrict the Acquiring Corporation in the ordinary course of its business. The Acquiring Corporation has complied with all material, commitments and obligations under all such contracts and agreements set forth in this section which it was obligated to comply with or perform as of the Effective Date.

xiv. Title. The Acquiring Corporation has good and marketable title to all properties, assets and leasehold estates, real and personal, owned and used as business, and except as since sold or otherwise disposed of in the ordinary course of business), subject to no mortgage, pledge, liens, conditional sales agreement, encumbrance or charge, except for:

(1) Liens reflected on a separately delivered schedule as security for specified liabilities (with respect to which no default exists);

(2) Liens for current taxes and assessments not in default; and

(3) Liabilities reflected on its financial statements.

xv. Insurance. Acquiring Corporation shall insure its assets and continue its liability insurance in a manner consistent with sound business judgment.

xvi. Compensation and Employee Benefits. There are no unpaid liabilities, contingent or otherwise owed by the Acquiring Corporation to any qualified retirement plan(s) of the Acquiring Corporation. In the absence of a separate agreement to the contrary, the trustee of such plan(s), if any, shall cooperate in the acceptance of any transfer of assets by the former participants in any qualified retirement plan(s) of the Acquired Corporation, or the merger thereof, into qualified retirement plan(s) of the Acquiring Corporation, if any now exist or shall exist in the future. The former participants of the Acquired Corporation qualified retirement plan(s) shall be given full credit for years of service with the Acquired Corporation for all purposes of the Acquiring Corporation's qualified retirement plan(s), if any now exist or shall exist in the future.

xvii. Litigation. There are no actions, suits or proceedings pending, or threatened, against or affecting Acquiring Corporation, before any Court, arbitrator or governmental or administrative body or agency which might result in any material adverse change in the value of stock in the Acquiring Corporation (as constituted immediately before the merger) or in the ability of the Acquiring Corporation to execute and deliver this Agreement or the other transaction documents, or to consummate the transactions herein and therein contemplated. A listing of any actions, suits or proceedings pending, or threatened, against or affecting Acquiring Corporation are listed in a schedule separately delivered to Acquired Corporation.

xviii. Adverse Affect of Transaction. The Articles of Incorporation and Bylaws, as amended, and all leases, instruments, agreements, licenses, permits, certificates or other documents which have been delivered to the Acquired Corporation pursuant to this Agreement in connection with the transactions completed hereby, are complete and correct, in all material respects; no party thereto is in default thereunder, the rights and parties of the Acquiring Corporation thereunder will not be adversely affected by the transactions contemplated herein; and the execution of this Agreement and the performance of the obligations hereunder will not violate or result in a breach or constitute a default under any of the terms or provisions thereof. None of such leases, instruments, agreements, licenses, permits, certificates or other documents require notice to, or the consent or approval of, any governmental agency or other third party to any of the transactions contemplated herein.

xix. Post-Balance Sheet Date Actions. Since the Acquiring Corporation's balance sheet date there has not been:

(1) Any material or adverse change in the financial condition, assets, liabilities, (contingent or otherwise) income or business of the Acquiring Corporation;

(2) Any event causing damage, destruction, or loss (whether or not covered by insurance) adversely affecting the properties or business of the Acquiring Corporation;

(3) Any change in the authorized capital of the Acquiring Corporation or in the securities of the Acquiring Corporation outstanding;

(4) Any declaration or payment of any dividend or distribution in respect of the capital stock or any direct or indirect redemption, purchase or other

acquisition of any of the capital stock of the Acquiring Corporation;

(5) Any labor trouble, proposed laws, regulation, any event, or condition of any character which affects the present or future business of the Acquiring Corporation as not conducted in the ordinary course of its business; or

(6) Any material transaction entered into by the Acquiring Corporation outside the ordinary course of its business.

xx. Disclosure. Neither this Agreement nor any certificate, statement, report or other document furnished or made available to Acquired Corporation by the Acquiring Corporation in connection with this Agreement or any other documents used or in connection with any transaction contemplated herein contained any untrue statement of material fact.

xxi. Reliance. Reliance upon the foregoing representations and warranties are made by the Acquiring Corporation and Shareholders with the knowledge and expectation that the Acquired Corporation is placing complete reliance thereon.

11. CONDUCT OF PSP AND OF FOOTCARE PENDING EFFECTIVE DATE

PSP and FOOTCARE mutually covenant that between the date of this Agreement and the Effective Date:

a. Articles of Incorporation and By-Laws.

No change will be made in their respective Articles of Incorporation or By-Laws, except as may be necessary to enable it to carry out the provisions of this Agreement.

b. Capitalization, Etc.

PSP and FOOTCARE will not make any change in their respective authorized or issued capital stock, declare or pay any dividend or other distribution or issue, encumber, purchase or otherwise acquire any of its capital stock.

c. Conduct of Business

PSP and FOOTCARE will respectively use their best efforts to maintain and preserve their respective business organization, employee relationships and goodwill intact, and will not, without the written consent of the other, enter into any material commitment except in the ordinary course of business.

12. CONDITIONS PRECEDENT TO OBLIGATION OF FOOTCARE

FOOTCARE's obligation to consummate this merger shall be subject to fulfillment on or before the Effective Date of each of the following conditions, unless waived in writing by FOOTCARE.

a. PSP's REPRESENTATION AND WARRANTIES.

The representations and warranties of PSP set forth in Section 10 hereof shall be true and correct at the Effective Date as though made at and as of that date, except as affected by transactions contemplated hereby.

b. PSP Covenants.

PSP shall have performed all covenants required by this Agreement to be performed by it on or before the Effective Date.

c. Shareholder Approval.

This Agreement shall have been adopted by the necessary vote of holders of the capital stock of the Constituent Corporations as set forth in Section 8 hereof.

d. Governmental Approval.

Any and all approval, permits and other actions of the State of Florida for the lawful consummation of the merger shall have been obtained.

13. CONDITIONS PRECEDENT TO OBLIGATION OF PSP

PSP's obligation to consummate this merger shall be subject to fulfillment on or before the Effective Date of each of the following conditions, unless waived in writing by PSP.

a. FOOTCARE Representations and Warranties.

The representations and warranties of FOOTCARE set forth in Section 9 hereof shall be true and correct at the Effective Date as though made at and as of that date, except as affected by transactions contemplated hereby.

b. FOOTCARE Covenants.

FOOTCARE shall have performed all covenants required by this Agreement to be performed by it on or before the Effective Date.

c. Shareholder Approval.

This Agreement shall have been adopted by the necessary vote of holders of the capital stock of the Constituent Corporations as set forth in Section 8 hereof.

d. Governmental Approval.

Any and all approvals, permits and other actions of the State of Michigan for the lawful consummation of the merger shall have been obtained.

14. ACCESS

From the date hereof to the Effective Date, PSP and FOOTCARE shall provide each other with such information and permit each other's officers and representatives such access to its properties and books and records as the other may, from time to time, reasonably request. If the merger is not consummated, all documents received in connection with this Agreement shall be returned to the party furnishing the same, and all information so received shall be treated as confidential.

15. ADDITIONAL AGREEMENTS

a. Employee Benefit Plans.

PSP will cause to be continued any Pension and Profit Sharing Plans currently maintained by it as well as any group life, accident, medical, surgical, hospitalization or other insurance plans or programs maintained by PSP on the Effective Date for the benefit of the employees covered thereby and those employees of FOOTCARE who become employees of the Surviving Corporation.

b. Expenses.

Upon either consummation or termination of this Agreement, each party will pay all costs and expenses of its performance of and compliance with all agreements and conditions contained herein on its part to be performed or complied with, including professional fees and expenses, provided that upon consummation of the merger, the Surviving Corporation shall pay such costs and expenses.

16. TERMINATION

a. Circumstances of Termination.

This Agreement may be terminated (notwithstanding approval by the Shareholders of either party hereto):

i. By the mutual consent in writing of the Board of Directors of PSP and FOOTCARE on or before the Effective Date.

ii. By the Board of Directors of FOOTCARE if any condition provided in Section 12 hereof has not been satisfied or waived on or before the Effective Date.

iii. By the Board of Directors of PSP if any condition provided in Section 13 hereof has not been satisfied or waived on or before the Effective Date.

iv. By the Board of Directors of either FOOTCARE or PSP if the merger has not occurred by March 31, 1997.

v. By either of the Constituent Corporations, on or before the Effective Date, if any action or proceeding before any court or other governmental body or agency shall have been instituted or threatened to restrain or prohibit the merger and such Constituent Corporation deems it inadvisable to proceed with the merger.

Upon any such termination and abandonment, neither party shall have any liability or obligation hereunder to the other, except the parties shall use their best efforts in good faith such that each shall be returned to their respective pre-merger conditions.

17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties set out in Section 9 and 10 hereof shall survive the Effective Date, and either party hereto shall have any claim thereafter against the other party with respect thereto for a period of one (1) year from the Effective Date.

18. GENERAL PROVISIONS

a. Further Assurances.

At any time and from time to time, after the Effective Date, each party will execute such additional instruments and take such action as may be reasonably requested by the other party to confirm or perfect title to any property transferred hereunder or otherwise to carry out the intent and purposes of this Agreement.

b. Waiver.

Any failure on the part of either party hereto to comply with any of its obligations, agreements or conditions hereunder may be waived in writing by the party to whom such compliance is owed.

c. Brokers.

Each party represents to the other party that no broker or finder has acted for it in connection with this Agreement, and agrees to indemnify and hold harmless the other party against any fee, loss or expense arising out of claims by brokers or finders employed or alleged to have been employed by it.

d. Notices.

All notices and other communications hereunder shall be in writing and shall be deemed to have been given if delivered in person or sent by prepaid first class registered or certified mail, return receipt requested, to the last known address of the recipient.

e. **Entire Agreement**.

This Agreement constitutes the entire agreement between the parties and supersedes and cancels any other agreement, representation, or communication, whether oral or written, between the parties hereto relating to the transactions contemplated herein or the subject matter hereof.

f. **Headings**.

The section and subsection headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

g. **Governing Law**.

This Agreement shall be governed by and construed and enforced in accordance with the domestic and internal laws of the State of Florida and Michigan.

h. **Assignment**.

This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their successors and assigns; provided, however, that any assignment by either party of its rights under this Agreement without the written consent of the other party shall be void.

i. **Counterparts**.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been signed by each of the Constituent Corporations all as of the day and year appearing opposite their signatures.

PSP ROYALTY COMPANY,
a Florida Corporation

Dated: January 30, 1997

By: _____
Robert L. Kahl
Its President

KAHL FOOT CARE SPECIALISTS, P.C., a Michigan Corporation

Dated: January 30, 1997

By: _____
Robert L. Kahl
Its President