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P98000010147

December 30, 1998

BY FEDERAL EXPRESS

Ms. Louise Jackson
Division of Corporations
409 E. Gaines Street
Tallahassee, FL 32399

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-12/31/98--01041--001
*****87.50 *****87.50

RE: Articles of Merger

Dear Ms. Jackson:

Enclosed are Articles of Merger (original and two copies) and our firm's check totaling $87.50 for filing fees ($35.00 x 2 parties totaling $70.00) and certified copy fees ($8.75 x 2 totaling $17.50). Please file the original and return two certified copies to me. This is to be effective January 1, 1999.

If you have any questions, please do not hesitate to contact me at the number above.

Yours truly,

Donald J. Harrell

Donald J. Harrell
For the Firm

DJH/lbr
Enclosures

EFFECTIVE DATE
1-1-99

Merger
MF 1-12-99

FILED
98 DEC 31 AM 8:50
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

1776 Ringling Boulevard - Sarasota, Florida 34236
Telephone (941) 366-3700 - Facsimile (941) 366-0189
E-Mail Address - bhmoc@gte.net

ARTICLES OF MERGER
Merger Sheet

MERGING:

SHANNON HOTEL GROUP, INC., a Florida corporation (P95000062908)

INTO

SHANNON RESORT & CLUB GROUP, INC., a Florida corporation, P98000010147

File date: December 31, 1998, effective January 1, 1999

Corporate Specialist: Louise Flemming-Jackson

FILED

98 DEC 31 AM 8:50

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EFFECTIVE DATE
1-1-99

SHANNON RESORT & CLUB GROUP, INC.
(A Florida Corporation)
SHANNON HOTEL GROUP, INC.
(A Florida Corporation)
ARTICLES OF MERGER

Pursuant to the Florida corporation law, each above-named corporation hereby adopts the following articles of merger:

ARTICLE I
PLAN OF MERGER

1.1 Parties to Merger. The name of each corporation planning to merge is as follows: SHANNON RESORT & CLUB GROUP, INC., a Florida corporation ("Surviving Corporation"), and SHANNON HOTEL GROUP, INC., a Florida corporation ("Merged Corporation"). The name of the Surviving Corporation into which each other corporation plans to merge is SHANNON RESORT & CLUB GROUP, INC., a Florida corporation.

1.2 Terms and Conditions; Manner and Basis of Converting Shares. The terms and conditions of the proposed merger and the manner and basis of converting the shares of each corporation is as follows:

1. Surviving and Merged Corporations. The Merged Corporation shall merge into the Surviving Corporation and the separate existence of the Merged Corporation shall thereupon cease.

2. Titles. The title to all real estate and other property, or any interest therein, owned by each corporation party to the merger shall be vested in the Surviving Corporation without reversion or impairment.

3. Liabilities. The Surviving Corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each corporation party to the merger.

4. Claims and Proceedings. Any claim existing or action or proceeding pending by or against any corporation party to the merger may be continued as if the merger did not occur or the Surviving Corporation may be substituted in the proceeding for the corporation which ceased existence.

5. Creditors and Liens. Neither the rights of creditors nor any liens upon the property of any corporation party to the merger shall be impaired by such merger.

6. Share Conversion. The shares (and the rights to acquire shares, obligations, or other securities) of each corporation party to the merger that are to be converted into shares, rights, obligations, or other securities of the Surviving or any other corporation or into cash or other property are converted, and the former holders of the shares are entitled only to the rights provided in the Articles of Merger or to their dissenter rights under applicable corporation law.

7. Manner and Basis of Converting Shares and Rights. The manner and basis of converting the shares and rights to acquire shares of each corporation into shares, 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 is as follows: Each share of $1.00 par value common stock of the Merged Corporation shall be cancelled and thereafter W. SHANE EAGAN and THOMAS RASMUSSEN shall each own 150 shares of $1.00 par value common stock of the Surviving Corporation, and shall be the sole shareholders of the Surviving Corporation.

8. Amendments to or Restatement of Articles of Incorporation or Bylaws of Surviving Corporation or Merged Corporation. No amendments to or restatements of the articles of incorporation of bylaws of either the Surviving Corporation or the Merged Corporation will be made hereafter and prior to the merger, or will be effected by the merger.

9. Directors and Officers. The directors and officers of Surviving Corporation on the effective date of the merger and until such time as their respective successors shall be elected and qualified shall be as follows: W. SHANE EAGAN - Director and President; and THOMAS RASMUSSEN - Director, Vice President, Secretary and Treasurer.

10. Name and Address. The name of Surviving Corporation shall not be changed and shall continue to be the name of Surviving Corporation following the merger. The address of Surviving Corporation shall not be changed and shall continue to be the address of the Surviving Corporation following the merger.

11. Shareholder Agreement. Each share of capital stock of Surviving Corporation shall, within 30 days following completion of the transactions contemplated hereby, become subject to a restrictive shareholder agreement restraining transfer to outsiders with further terms and conditions reasonably acceptable to and signed by W. SHANE EAGAN and THOMAS RASMUSSEN.

12. Further Action. Each party shall take such further action, including without limitation, the execution and delivery of legal instruments and documents as may be necessary to carry out the intent hereof.

13. Representations and Warranties. Each party represents and warrants to the other party, now and at closing of the transactions contemplated hereby, as follows:

(a) Surviving Corporation represents and warrants that (i) it is a corporation duly organized and existing under the laws of the State of Florida, and its capital stock is owned by W. SHANE EAGAN and THOMAS RASMUSSEN; (ii) its financial statement heretofore delivered to each other party fairly and accurately presents its financial condition as of the date thereof; (iii) it has no knowledge of any change in, or event or condition materially and adversely affecting the condition (financial or otherwise) of assets, liabilities, business or prospects; (iv) to its best knowledge, it has filed all applicable tax and information returns required by any governmental agency and paid all applicable taxes attributable thereto; (v) it has no knowledge of any pending or threatened litigation not previously disclosed; (vi) to its best knowledge, it is not in violation of any material contract, agreement, covenant instrument, judgment, order, rule, regulation or law, and the execution and performance hereof will not cause any such violation; and, (vii) to its best knowledge, it has not made any untrue statement of material fact or omitted any material fact required to make the statements h~rein not misleading.

(b) Merged Corporation represents and warrants that (i) it is a corporation duly organized and existing under the laws of the State of Florida, and its capital stock is owned by W. SHANE EAGAN and THOMAS RASMUSSEN; (ii) its financial statement heretofore delivered to each other party fairly and accurately presents its financial condition as of the date thereof; (iii) it has no knowledge of any change in, or event or condition materially and adversely affecting the condition (financial or otherwise) of assets, liabilities, business or prospects; (iv) to its best knowledge, it has filed all applicable tax and information returns required by any governmental agency and paid all applicable taxes attributable thereto; (v) it has no knowledge of any pending or threatened litigation not previously disclosed; (vi) to its best knowledge, it is not in violation of any material contract, agreement, covenant instrument, judgment, order, rule, regulation or law, and the execution and performance hereof will not cause any such violation; and, (vii) to its best knowledge, it has not made any untrue statement of material fact or omitted any material fact required to make the statements herein not misleading.

14. Operations Prior to Merger. Each party shall continue to operate in the same manner as heretofore prior to the merger.

15. Conditions Precedent to Merger. Each party's obligation to merge in accordance herewith is subject to and contingent upon each party receiving any and all appropriate approval for the transactions contemplated hereby from its directors and shareholders.

16. Abandonment of Plan. Notwithstanding any contrary provision contained herein, this instrument and the merger may be abandoned by any corporation party to the merger (i) at any time prior to the obtainment of all necessary approvals, or (ii) at any time prior to the filing of articles of merger, without further shareholder action.

17. Anticipated Effective Date. The parties to the merger intend to cause the merger to become effective on January 1, 1999.

18. Successors. This instrument shall bind and benefit the heirs, personal representatives, successors, and permitted assigns of the parties. No party shall assign its rights or delegate its duties hereunder without the prior written consent of all parties hereto.

19. Modification and Waiver. This instrument may be modified or a provision waived only by a writing signed by the party sought to be held to such modification or waiver.

20. Governing Law. The merger documents filed in Florida shall be governed by Florida law.

21. Miscellaneous. Headings are inserted herein for convenience of reference only and shall not effect the interpretation hereof. Numbers and genders shall be interchangeable as the context so requires.

22. Counterparts; Facsimile Signatures. This instrument may be executed in one or more counterparts,, which taken together shall constitute a single instrument. A facsimile signature shall be deemed an original for all purposes.

ARTICLE II
APPROVAL/ADOPTION OF PLAN OF MERGER

2.1 Shareholder Approval Required. Shareholder approval of the Plan of Merger was required and properly obtained.

2.2 Approval/Adoption Dates. As required by the Florida corporation law, the Plan of Merger was duly approved (by unanimous vote) by the shareholders of the Surviving Corporation on December 30, 1998, and was duly approved (by unanimous vote) by the shareholders of the Merged Corporation on December 30, 1998.

2.3 Board of Director Approval. The Plan of Merger was duly adopted (by unanimous vote) in the manner prescribed by law by the board of directors of the Surviving Corporation on December 30, 1998, and was duly adopted (by unanimous vote) in the manner prescribed by law by the board of directors of the Merged Corporation on December 30, 1998.

ARTICLE III
EFFECTIVE DATE OF MERGER; MISCELLANEOUS

3.1 Delayed Effective Date. The merger shall become effective at 12:01 a.m. on January 1, 1999, which date shall be within 90 days after the filing hereof by the Florida Department of State.

IN WITNESS WHEREOF, the undersigned executed this instrument this 30th day of December, 1998.

SURVIVING CORPORATION:
SHANNON RESORT & CLUB GROUP, INC.
A Florida Corporation

By_____
W. SHANE EAGAN, President

MERGED CORPORATION:
SHANNON HOTEL GROUP, INC.
A Florida Corporation

By_____
W. SHANE EAGAN, President