



THE UNITED STATES
CORPORATION
COMPANY

P98000017228

ACCOUNT NO. : 072100000032

REFERENCE : 972951 81325A

AUTHORIZATION

COST LIMIT : \$ 70.00

Patricia Piguet

ORDER DATE : September 24, 1998

ORDER TIME : 11:08 AM

ORDER NO. : 972951-005

CUSTOMER NO: 81325A

CUSTOMER: Mr. Gregory S. Band
Levin And Tannenbaum, P.a.
Suite 102
1680 Fruitville Road
Sarasota, FL 34236

7000002648217--7

ARTICLES OF MERGER

OPEN SYSTEMS ENGINEERING, INC.

INTO

SILVERSTONE SOFTWARE
CORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

 CERTIFIED COPY
XX PLAIN STAMPED COPY

CONTACT PERSON: Jeanine Reynolds

EXAMINER'S INITIALS:

Jee 9/25

FILED RECEIVED
98 SEP 24 PM 12:10
SECRETARY OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER
Merger Sheet

MERGING: -----

OPEN SYSTEMS ENGINEERING, INC., A oregon corporation

INTO

SILVERSTONE SOFTWARE CORPORATION, a Florida corporation,
P98000017228.

File date: September 24, 1998

Corporate Specialist: Teresa Brown

Account number: 072100000032

Account charged: 70.00

ARTICLES OF MERGER
OF
OPEN SYSTEMS ENGINEERING, INC.,
an OREGON CORPORATION,

into
SILVERSTONE SOFTWARE CORPORATION,
a Florida corporation

(Pursuant to the provisions of Chapter 607
of the Florida Business Corporation Act)

FILED
98 SEP 24 PM 12:14
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned, being the President and Secretary of SILVERSTONE SOFTWARE CORPORATION, a corporation organized and existing under the laws of the State of Florida (hereinafter referred to as "First Party"), and OPEN SYSTEMS ENGINEERING, INC., a corporation organized and existing under the laws of the State of Oregon (hereinafter referred to as "Second Party"), hereby certify that:

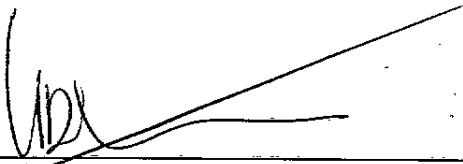
1. Special meetings of the Shareholders and Boards of Directors of said Corporations were held on August 18, 1998 after proper notice, for the purpose of adopting an Agreement and Plan of Reorganization and Merger as between First Party and Second Party with First Party being the surviving corporation.
2. The name of the surviving corporation is SILVERSTONE SOFTWARE CORPORATION, a Florida corporation, and it is to be governed by the laws of the State of Florida.
3. First Party is a corporation organized and existing under the laws of the State of Florida, having been incorporated on February 23, 1998.
4. Second Party is a corporation organized and existing under the laws of the State of Oregon, having been incorporated on July 27, 1992.
5. The laws of the State of Florida permit such a merger.
6. There are no changes in the Articles of Incorporation of the surviving corporation and said Articles shall continue in full force and effect until the same shall be altered or amended.
7. The Agreement and Plan of Reorganization and Merger is a true and correct copy and was adopted and approved by the Board of Directors and by the holders of all of the capital stock entitled to vote of First Party in the manner prescribed by the laws of the State of Florida, and was adopted and approved by the Board of Directors and Shareholders of Second Party in the manner prescribed by the laws of the State of Oregon.


8. All of the issued shares of First Party are entitled to vote, and all of the shares entitled to vote, voted for the Agreement and Plan of Reorganization and Merger. All of the issued shares of Second Party are entitled to vote, and all of the shares entitled to vote, voted for the Agreement and Plan of Reorganization and Merger.
9. Each shareholder of First Party whose shares were outstanding immediately prior to the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and relative rights, immediately after the merger. The shareholders of the Second Party shall receive two hundred and fifty thousand (250,000) shares of the First Party. All rights and respects to the stock of Second Party shall be canceled on the effective date of the merger, and the certificates representing said shares shall be surrendered and canceled.

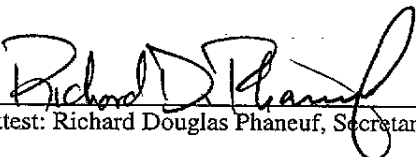
The effective date of the merger shall be AUGUST 31, 1998.

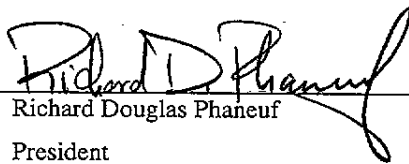
IN WITNESS WHEREOF the corporate parties hereto have caused these Articles of Merger to be executed by the duly authorized officers this 18th day of August, 1998.

SILVERSTONE SOFTWARE CORPORATION, a Florida corporation


Attest: Gerald Blackie, Secretary


Gerald Blackie
President
Silverstone Software Corporation


Attest: Richard Douglas Phaneuf, Secretary


Richard Douglas Phaneuf
President
Opens Systems Engineering, Inc.

AGREEMENT AND PLAN OF REORGANIZATION AND MERGER

THIS AGREEMENT effective the 31st day of August 1998, by and between SILVERSTONE SOFTWARE CORPORATION, a Florida corporation, hereinafter referred to as "First Party", and OPEN SYSTEMS ENGINEERING, INC., an Oregon corporation, hereinafter referred to as "Second Party".

WITNESSETH:

WHEREAS, the First Party is a corporation organized and existing under the laws of the State of Florida, having been incorporated on February 23, 1998; and

WHEREAS, the Second Party is a corporation organized and existing under the laws of the State of Oregon, having been incorporated on July 27, 1992; and

WHEREAS, the principal office of the First Party is located at 259 Cedar Park Circle, Sarasota, Florida 34242, and Gerald Blackie is the agent in charge thereof upon whom process against the First Party may be served within the State of Florida; and

WHEREAS, the principal office of the Second Party is located at 15780 SW Upper Boones Ferry Road, Lake Oswego, OR 97035 and Richard Douglas Phaneuf is the agent in charge thereof upon whom process against the Second Party may be served within the State of Oregon; and

WHEREAS, the Boards of Directors of the First Party and of the Second Party, respectively, deem it advisable and generally to the advantage and welfare of the two corporate parties and their respective shareholders that the Second Party merge with the First Party under the terms and conditions hereinafter set forth, such merger to be effected pursuant to the laws of the State of Florida.

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 follows:

1. **PLAN OF REORGANIZATION.** This Agreement constitutes a Plan of Reorganization to be carried out in the manner, on the terms, and subject to the conditions herein set forth and is intended to qualify as a reorganization within the meaning of Internal Revenue Code Section 368(a).
2. **MERGER.** The Second Party shall be and it hereby is merged into the First Party and the First Party shall be the surviving corporation.
3. **EFFECTIVE DATE.** The effective date of the merger shall be August 31, 1998.
4. **SURVIVING CORPORATION.** The First Party shall be the surviving corporation, and shall continue to be governed by the laws of the State of Florida. The separate existence of the Second Party shall cease upon the effective date of the Merger, and the existence of First Party shall continue unaffected and

unimpaired by the Merger, with all rights, privileges, immunities and powers intact and subject to all the duties, obligations and liabilities of a Florida corporation organized under the laws of the State of Florida.

5. NAME. The name of the First Party, the surviving corporation, shall be SILVERSTONE SOFTWARE CORPORATION, a Florida Corporation. The address of the principal place of business shall be 259 Cedar Park Circle, Sarasota, Florida 34242, and the agent upon whom process may be served at that address shall be Gerald Blackie.
6. OUTSTANDING STOCK. Each common share of First Party on the effective date of the Merger shall remain the same and each shareholder shall hold the same number of shares, with identical designations, preferences, limitations, and relative rights, immediately after the merger. Each common share of Second Party shall receive twenty five thousand (25,000) shares of First Party such that in total, the shareholders of the Second Party shall receive two hundred and fifty thousand (250,000) shares of common stock in First Party. No other shares shall be issued or converted. All rights and respects of the Shareholders of Second Party in the common stock of Second Party shall be canceled forthwith on the effective date of Merger, and the certificates representing such shares shall be surrendered and canceled.
7. ADDITIONAL CONSIDERATION. In addition to the shares in First Party granted to the shareholders of Second Party, the shareholders of Second Party shall also receive the following as additional payment for their surrender of their shares in Second Party:
 - a) Two and one-half percent (2.5%) of the net revenues (calculated in accordance with Generally Accepted Accounting Practice), as determined by First Party, from all sales and licensing of new software products for the health insurance industry, provided that the term new software products shall not include software products developed by the Second Party prior to the Merger such as the RES product; and two and one-half percent (2.5%) of the net revenues, as determined by First Party, derived from any transaction fees derived from outsourcing paid by customers in the health insurance industry to First Party or any affiliates of First Party, during the period beginning September 1, 1998 and ending August 31, 2003; and
 - b) Five percent (5%) of the net revenues (calculated in accordance with Generally Accepted Accounting Practice), during the period beginning September 1, 1998 and ending August 31, 2003 as determined by First Party, generated from sales of software licenses derived from products created by Second Party prior to the effective date of the Merger and from sales of software support and consulting services derived from products created by Second Party prior to the effective date of the Merger.

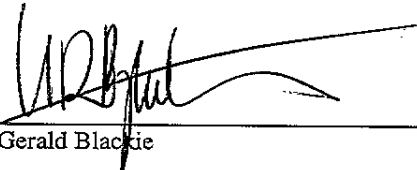
Said additional payments described in paragraphs 7(a) and 7(b) above shall be payable within 30 days of the end of each three month period beginning October 1, 1998 provided that the first period shall also

include the month of September so that said first period shall be four months, and said first payment shall be due by January 30, 1999. Said payments shall continue until the period ending August 31, 2003.

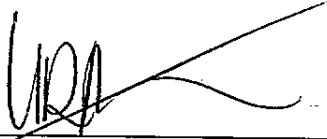
Notwithstanding anything herein to the contrary, at such time as the total amount of payments described in paragraphs 7(a) and 7(b) above shall total the following: one million dollars (\$1,000,000) less the total amount of interest paid to the shareholders of the Second Party pursuant to that certain Consolidated Renewal Promissory Note, which Note is hereby incorporated by reference, said payments hereunder shall cease and First Party shall have no further obligation to Second Party.

8. **CERTIFICATE OF INCORPORATION.** The Articles of Incorporation of First Party shall be the Articles of Incorporation of the Surviving and that said Articles shall continue in full force and effect until the same shall be altered or amended.
9. **BYLAWS.** The Bylaws of the First Party at the effective date of the Merger shall be the Bylaws of the Surviving Corporation, until the same shall be altered or amended.
10. **DIRECTORS.** The directors of First Party in office on the effective date of the Merger shall continue in office and shall constitute the directors of First Party until such time as their respective successors shall be elected and qualified.
11. **OFFICERS.** The officers of First Party in office on the effective date of the Merger shall continue in office and shall constitute the officers of First Party until such time as their respective successors shall be elected and qualified.
12. **SERVICE OF PROCESS.** Richard Douglas Phaneuf, at the address of 15780 SW Upper Boones Ferry Road, Lake Oswego, OR 97035 is hereby designated the agent of Second Party upon whom process against it may be served.
13. **ABANDONMENT.** Anything contained herein to the contrary notwithstanding, this Agreement may be abandoned by either party hereto if the merger fails to obtain the necessary approval as required by the general corporate laws of the State of Florida.

IN WITNESS WHEREOF the corporate parties hereto have caused this Agreement to be executed by the duly authorized officers the day and year first above written and the parties affirm that the statements herein are true under penalty of perjury.

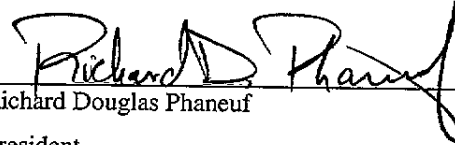


Gerald Blackie
President



Attest: Gerald Blackie, Secretary

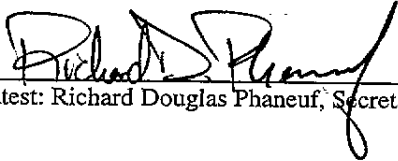
Silverstone Software Corporation



Richard Douglas Phaneuf

President

Opens Systems Engineering



Attest: Richard Douglas Phaneuf, Secretary