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## Florida Department of State

Division of Corporations

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## MERGER OR SHARE EXCHANGE

USBid Incorporated (a Delaware Corporation)

Certificate of Status	1
Certified Copy	1
Page Count	11
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ARTICLES OF MERGER  
Merger Sheet

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MERGING:

USBID INCORPORATED, a Florida corporation, document number  
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INTO

**USBID CORPORATION.** a Delaware corporation not qualified in Florida

File date: July 30, 1999

Corporate Specialist: Karen Gibson

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FLORIDA DEPARTMENT OF STATE

Katherine Harris  
Secretary of State

July 30, 1999

USBID INCORPORATED  
100 RIALTO PLACE, SUITE 743  
MELBOURNE, FL 32901

SUBJECT: USBID INCORPORATED  
REF: P98000093907

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refile the complete document, including the electronic filing cover sheet.

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Karen Gibson  
Corporate Specialist

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**ARTICLES OF MERGER**

Between

**USBid Incorporated**  
(a Delaware Corporation)

And

**USBid Incorporated**  
(a Florida Corporation)

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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**THESE ARTICLES OF MERGER** (the "Articles") are made and entered into on this 29th day of July, 1999, by and between USBid Incorporated, a Delaware corporation (the "Delaware Corporation"), and USBid Incorporated, a Florida corporation (the "Florida Corporation").

**WITNESSETH:**

**WHEREAS**, the Delaware Corporation is a corporation duly organized and existing under the laws of the State of Delaware;

**WHEREAS**, the Florida Corporation is a corporation duly organized and existing under the laws of the State of Florida; and

**WHEREAS**, the Board of Directors of each of the constituent corporations deems it advisable that the Florida Corporation be merged into the Delaware Corporation on the terms and conditions hereinafter set forth, in accordance with the applicable provisions of the statutes of the states of Delaware and Florida, respectively, which permit such merger.

**NOW, THEREFORE**, the Delaware Corporation and the Florida Corporation hereby state as follows:

**ARTICLE I**

The Florida Corporation and the Delaware Corporation have been and shall be merged into one another in accordance with applicable provisions of the laws of the State of Florida and of the State of Delaware, and pursuant to the Agreement and Plan of Merger attached hereto as Exhibit A (the "Plan"), with the Delaware Corporation being the surviving corporation.

Peter J. Sheptak  
Florida Bar No. 126853  
Edwards & Angell LLP  
250 Royal Palm Way, #300, Palm Beach FL 33480 (561) 833-7700  
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**ARTICLE II**

The Plan was approved and adopted by the shareholders and directors of the Florida Corporation as of July 29, 1999, in the manner prescribed by the Florida Business Corporation Act.

**ARTICLE III**

The Plan was approved and adopted by the shareholders and directors of the Delaware Corporation as of July 29, 1999, in accordance with the applicable laws of the State of Delaware.

**ARTICLE IV**

The effective date of the Merger shall be the later of the date of the proper filing of these Articles in accordance with the Florida Business Corporation Act or the date of the proper filing of a Certificate of Merger in accordance with the Delaware General Corporation Law.

**ARTICLE V**

(i) The surviving entity shall be the Delaware Corporation (the "Surviving Entity"). The address of the Delaware Corporation within the State of Delaware is: 1013 Centre Road, Wilmington, Delaware, 19805, care of Corporation Service Company.

(ii) The Surviving Entity is deemed to have appointed the Secretary of State of Florida as its agent for service of process in a proceeding to enforce any obligation or rights of dissenting shareholders of the Florida Corporation.

(iii) The Surviving Entity agrees to promptly pay to any dissenting shareholders of the Florida Corporation the amount, if any, to which he or she may be entitled under Section 607.1302 of the Florida Business Corporation Act.

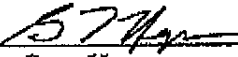
[Signatures are on the following page.]

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IN WITNESS WHEREOF, the Delaware Corporation and the Florida Corporation, pursuant to the approval and authority duly given by resolutions adopted by their respective Boards of Directors and shareholders, have caused these Articles of Merger to be executed by the President of each party hereto, as of the date first set forth above.

USBid Incorporated  
(a Delaware Corporation)

By:   
Name: Gary Heycs  
Title: President

USBid Incorporated  
(a Florida Corporation)

By:   
Name: Gary Heycs  
Title: President

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**EXHIBIT A****AGREEMENT AND PLAN OF MERGER**

AGREEMENT AND PLAN OF MERGER (hereinafter called this "Agreement"), dated as of July 29, 1999, between USBid Incorporated, a Florida corporation ("USBid"), and USBid Incorporated, a Delaware corporation ("USBid Delaware," collectively with USBid, the "Companies").

**RECITALS**

1. USBid Delaware is a wholly-owned subsidiary of USBid which has been duly organized and is existing under the laws of the State of Delaware.
2. USBid is a corporation duly organized and existing under the laws of the State of Florida having authorized capital stock consisting of (i) 15,000,000 shares of Common Stock, \$.001 par value per share ("USBid Common Stock"); and (ii) 2,000,000 shares of Preferred Stock, \$.001 par value per share ("USBid Preferred Stock").
3. The issued and outstanding capital stock of USBid consists of 3,000,000 shares of USBid Common Stock, all of which are entitled to vote on the Merger (as defined below).
4. USBid Delaware is a corporation duly organized and existing under the laws of the State of Delaware having authorized capital stock consisting of (i) 45,000,000 shares of Common Stock, \$.001 par value ("USBid Delaware Common Stock"), and (ii) 15,000,000 shares of Preferred Stock, \$.001 par value per share ("USBid Delaware Preferred Stock").
5. The issued and outstanding capital stock of USBid Delaware consists of no shares of USBid Delaware Preferred Stock and 1,000 shares of USBid Delaware Common Stock, all of which are entitled to vote on the Merger (as defined below).
6. The Companies desire to merge under and pursuant to the applicable provisions of the laws of the State of Florida and the State of Delaware which respective laws permit such a merger.
7. The Board of Directors of each of the Companies have determined that it is in the best interest of each of the Companies to merge and such directors have duly approved and authorized the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

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## **I. THE MERGER: EFFECTIVE TIME**

**Section 1.1 The Merger.** Subject to the terms and conditions contained in this Agreement, at the Effective Time (as defined in Section 1.2) USBid shall be merged with and into USBid Delaware and the separate corporate existence of USBid shall thereupon cease (the "Merger"). USBid Delaware shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation") and shall continue to be governed by the laws of the State of Delaware, and the separate corporate existence of USBid Delaware with all its rights, privileges, powers, immunities, purposes and franchises shall continue unaffected by the Merger.

**Section 1.2 Effective Time.** The Merger shall become effective at the time (the "Effective Time") of the filing of the Certificate of Merger in accordance with the Delaware General Corporation Law or the time of the filing of the Articles of Merger in accordance with the Florida Business Corporation Act whichever shall occur later, or at such later time which the parties hereto shall have agreed upon and designated in such filings as the effective time of the Merger.

## **II. CERTIFICATE OF INCORPORATION AND BY-LAWS OF THE SURVIVING CORPORATION**

**Section 2.1 Certificate of Incorporation.** The Certificate of Incorporation of USBid Delaware, as so amended to the Effective Time, shall be the Certificate of Incorporation of the Surviving Corporation, until duly amended in accordance with its terms and the Delaware General Corporation Law. The name of the surviving corporation shall remain "USBid Incorporated."

**Section 2.2 Bylaws.** The By-Laws of USBid Delaware in effect immediately prior to the Effective Time shall be the By-Laws of the Surviving Corporation, until duly amended in accordance with their terms and the Delaware General Corporation Law.

**Section 2.3 Capital Stock.** The total number of shares of and par value of each class of stock which the Surviving Corporation shall be authorized to issue is 45,000,000 shares of Common Stock, \$.001 par value per share (the "Surviving Corporation Common Stock") and 15,000,000 shares of Preferred Stock, \$.001 par value per share (the "Surviving Corporation Preferred Stock"). The description of each class, with the preferences, voting powers, qualifications, special or relative rights or privileges as to each class or series is as set forth in the Certificate of Incorporation of the Surviving Corporation.

## **III. DIRECTORS AND OFFICERS OF THE SURVIVING CORPORATION**

The directors and officers of USBid immediately prior to the Effective Time shall be the directors and officers of the Surviving Corporation, from and after the Effective Time, until

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their respective successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal, all in accordance with the Surviving Corporation's Certificate of Incorporation and By-Laws.

#### IV. CONVERSION OF SHARES IN THE MERGER; NO APPRAISAL RIGHTS

Section 4.1 Conversion of Shares of USBid. The manner of converting shares of capital stock of USBid in the Merger shall be as follows:

(a) At the Effective Time, each share of USBid Common Stock issued and outstanding immediately prior to the Effective Time, shall by virtue of the Merger and without the surrender of stock certificates or any other action by the holder of such shares, be converted into and exchangeable for five (5) shares of fully paid and nonassessable shares of Surviving Corporation Common Stock. A number of shares of the Surviving Corporation Common Stock shall be reserved for issuance upon the exercise of options, warrants, conversion privileges and other derivative securities equal to five (5) times the number of shares of USBid Common Stock so reserved immediately prior to the Effective Time.

(b) At the Effective Time, the Surviving Corporation will assume and continue the stock option plan listed in Schedule 1 attached hereto (the "Plan") as such Plan is in effect on the Effective Date of the Merger. At the Effective Time, (i) each share reserved for issuance under the Plan shall become five (5) shares and (ii) each outstanding and unexercised option issued pursuant to said Plans shall become an option to purchase five (5) times the number of shares of Surviving Corporation Common Stock at one fifth (1/5) the exercise price and upon the same terms and conditions as in effect immediately prior to the Merger. After the Effective Time, all references to USBid in such Plans shall be deemed to refer to the Surviving Corporation and all references to stock of USBid shall be deemed to refer to stock of the Surviving Corporation.

(c) At the Effective Time, the Surviving Corporation will assume the obligations of USBid arising pursuant to the convertible promissory note described on Schedule 2 attached hereto (the "Convertible Note"). At and after the Effective Time, the shares of USBid Common Stock issuable pursuant to said Convertible Notes shall be deemed to refer to five (5) times the same number of shares of Surviving Corporation Common Stock and the Conversion Price (as defined in the Convertible Notes) shall be equal to one fifth (1/5) the Conversion Price in effect immediately prior to the Effective Time.

(d) Each share of USBid capital stock, if any, held in the treasury of USBid immediately prior to the Effective Time shall be canceled, and no shares of capital stock of the Surviving Corporation shall be issued in respect thereof.

(e) After the Effective Time, all of the outstanding certificates which immediately prior to the Merger represented shares of USBid capital stock shall be deemed for all purposes to evidence ownership of and to represent five (5) times that number of shares of the Surviving Corporation's capital stock. The registered owner on the books and records of the Surviving

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Corporation or its transfer agents of any such outstanding stock certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to the Surviving Corporation or its transfer agent, have and be entitled to exercise any voting and other rights with respect to, and to receive any dividends and other distributions upon, the shares of the Surviving Corporation's capital stock evidenced by such outstanding certificate as above provided.

Section 4.2 Conversion of Shares of USBid Delaware. At the Effective Time, each share of USBid Delaware Common Stock issued and outstanding immediately prior thereto shall, by virtue of the Merger and without any action by the holder of such shares, be canceled and returned to the status of authorized but unissued shares.

Section 4.3 No Appraisal Rights. Holders of the capital stock of USBid do not and shall not have any dissenter's rights or appraisal rights under the Florida Business Corporation Act in connection with the Merger.

## V. TERMINATION AND AMENDMENT

Section 5.1 Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, before or after the approval of this Agreement by the holders of shares of USBid Common Stock, or by the mutual consent of USBid and USBid Delaware by action of their respective Boards of Directors.

Section 5.2 Termination by Action of Stockholders of USBid. This Agreement may be terminated and the Merger abandoned if any approval of the stockholders of USBid required for consummation of the Merger shall not have been obtained by reason of the failure to obtain the required vote at a duly held meeting of stockholders or at any adjournment or postponement thereof, or by written consent of such stockholders in lieu of a meeting.

Section 5.3 Effect of Termination and Abandonment. In the event of termination of this Agreement and abandonment of the Merger pursuant to this Article V, no party hereto (or any of its directors or officers) shall have any liability or further obligation to any other party to this Agreement, except that nothing herein will relieve any party from liability for any breach of this Agreement.

Section 5.4 Amendment. The Board of Directors of each Company may amend this Agreement at any time prior to the filing of Certificate of Merger with the Secretary of State of the State of Delaware and the Articles of Merger with the Secretary of State of the State of Florida, provided that an amendment made subsequent to the adoption of this Agreement by the stockholders of either of the Companies shall not, without further approval by the stockholders, (i) alter or change the amount or kind of shares, securities, and/or rights to be received by USBid stockholders in exchange for or on conversion of all or any of the shares of any class or series of stock of USBid; (ii) alter or change any term of the Certificate of Incorporation of the Surviving Corporation to be effected by the Merger, or (iii) alter or

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change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series of stock of USBid. This Agreement shall not be modified or amended except pursuant to an instrument in writing executed and delivered on behalf of each of the parties hereto.

## VI. RULE 145 REPRESENTATION

The sole purpose of this Merger is to change the domicile of USBid within the United States of America, to which end (a) the corporate structure of the Surviving Corporation reflects only minor changes from that of USBid and (b) the securities of the Surviving Corporation into which the issued and outstanding securities of USBid are being converted are substantially identical to each other. Accordingly, the Merger shall not be deemed to involve the offer or sale of a security under authority of Rule 145(a)(2) of the Securities and Exchange Commission.

## VII. MISCELLANEOUS AND GENERAL

Section 7.1 Counterparts. For the convenience of the parties hereto, this Agreement may be executed in counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

Section 7.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Section 7.3 Entire Agreement etc. This Agreement (a) constitutes the entire agreement, and supersedes all other prior agreements and understanding, both written and oral, among the parties, with respect to the subject matter hereof, (b) is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder, and (c) shall not be assignable by operation of law or otherwise.

Section 7.4 Captions. The captions and headings used herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

Section 7.5 Reorganization. The parties intend that this transaction shall be a reorganization within the mean of Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended.

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IN WITNESS WHEREOF, this Agreement has been duly executed, sealed and delivered by the duly authorized officers of the parties hereto on the date first hereinabove written.

USBID INCORPORATED,  
a Florida corporation

By: \_\_\_\_\_  
Gary Heyes, President

USBID INCORPORATED,  
a Delaware corporation

By: \_\_\_\_\_  
Gary Heyes, President

I, Thomas Dalton, am the Assistant Secretary of USBid Incorporated, a Delaware Corporation. I hereby certify that the majority of the outstanding stock of USBid Incorporated, a Delaware Corporation, was voted for the adoption of this Agreement as required under Section 251(c) and in accordance with 228 of the General Corporation Law of the State of Delaware.

By: \_\_\_\_\_  
Thomas Dalton, Assistant Secretary

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SCHEDULE 1 to Agreement and Plan of Merger

1999 Stock Option Plan of USBid Incorporated

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SCHEDULE 2 to Agreement and Plan of Merger

Convertible Promissory Note of USBid Incorporated Dated May 1, 1999, made payable to  
Performance Software Systems Services, Inc.

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