

566368

**SPORTSWEAR EXPRESS**, incorporated  
2959 Mercury Road, Jacksonville, FL 32207 (904) 367-5600

January 15, 1997

Department of State  
POB 6327  
Tallahassee, FL 32314  
409 East Gains St.  
Tallahassee, FL 32399

Attention: Division of Corporation  
Reference: Articles of Merger

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
97 JAN 15 PM 12:49

Dear Sirs:

200002083812--2  
-02/11/97--01120--004  
\*\*\*\*\*35.00 \*\*\*\*\*35.00

In accordance with FSA § 36-607-1105 of the Florida Business Corporation Code, the following documents are hereby submitted:

- 1) The original Articles of Merger of Sportswear Express, Inc., a Florida corporation, into P.A.Y. BACK Systems, Inc., a Georgia corporation under the Georgia Business Corporation Code, and one conformed copy of said Articles of Merger.
- 2) Payment of \$ 35.00 in accordance with the Florida Business Corporation Code.

We appreciate your processing these documents in the manner proscribed by the Florida Business Corporation Code, and if such documents meet with your approval, we likewise appreciate your returning to us the conformed copy of the Articles of Merger duly stamped.

200002083812--2  
-02/11/97--01120--003  
\*\*\*\*\*35.00 \*\*\*\*\*35.00

Best Regards,



Darin L. Parker

enclosures

merger  
SF 1/28/97  
efb 1/15/97

**ARTICLES OF MERGER**  
**Merger Sheet**

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**MERGING:**

**SPORTSWEAR EXPRESS, INC., #S66368, a FL Corp.**

**INTO**

**P.A.Y. BACK SYSTEMS, INC., a Georgia corporation not qualified in Florida.**

**File date: January 15, 1997**

**Corporate Specialist: Susan Payne**

CONFIDENTIAL AND PERSONAL

**P. A. Y. BACK *Systems* INCORPORATED**  
INCENTIVE PROGRAMMING

January 23, 1997

Florida Dept. of State  
Div. of Corporations  
POB 6327  
Tallahassee, FL 32314

Attention: Susan Payne  
Reference: P.A.Y. BACK / Sportswear Express Merger

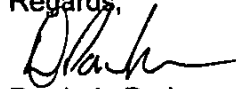
VIA U.S. MAIL

Dear Susan:

Per your request, please find check # 4852 for \$35.00 for the additional required merger fee.

As always, thank you for your time and consideration.

Regards,



Darrin L. Parker

enclosure

**ARTICLES OF MERGER  
Merger Sheet**

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**MERGING:**

**INTO**

**P.A.Y. BACK SYSTEMS, INC.,** a Georgia corporation not qualified in Florida.

File date: January 15, 1997

Corporate Specialist: Susan Payne

**ARTICLES OF MERGER  
OF  
SPORTSWEAR EXPRESS, INC.**

**FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
97 JAN 15 PM 12:48**

Pursuant to the provisions of the Florida Business Corporation Code, the undersigned corporations adopt the following articles of merger:

**ARTICLE I**

The plan of merger dated January 1, 1997, between P.A.Y. BACK Systems, Inc., called the "surviving corporation" and Sportswear Express, Inc., called the "absorbed corporation," collectively called "constituent corporations," is as follows:

**Stipulations**

- A. Sportswear Express, Inc., the absorbed corporation, is a corporation organized and existing under the laws of the State of Florida with its principal office at 2959 Mercury Road, Jacksonville, FL 32207.
- B. Sportswear Express, Inc., the absorbed corporation, has a capitalization of one-thousand (1000) authorized shares of \$1.00 par value common stock, of which nine-hundred-sixteen (916) shares are issued and outstanding.
- C. P.A.Y. BACK Systems, Inc., the surviving corporation, is a corporation organized and existing under the laws of the State of Georgia with its principal office at 3250 Peachtree Industrial Blvd., Suite 203, Duluth, GA 30136.

D. P.A.Y. BACK Systems, Inc., the surviving corporation, has a capitalization of one-thousand (1000) authorized shares of \$.01 par value common stock, of which two-hundred (200) shares are issued and outstanding.

E. The boards of directors of the constituent corporations deem it desirable and in the best business interests of the corporations and their shareholders that Sportswear Express, Inc., be merged into P.A.Y. BACK Systems, Inc., pursuant to the provisions of both the Florida and Georgia Business Corporation Codes in order that the transaction qualify as a "reorganization" within the meaning of the Internal Revenue Code.

In consideration of the mutual covenants, and subject to the terms and conditions set forth below, the constituent corporations agree as follows:

#### **Section One**

##### **Merger**

Sportswear Express, Inc., shall merge with and into P.A.Y. BACK Systems, Inc., which shall be the surviving corporation.

#### **Section Two**

##### **Terms and Conditions**

On the effective date of the merger, the separate existence of the absorbed corporation shall cease, and the surviving corporation shall succeed to all the rights, privileges, and immunities, and all and every other interest of the absorbed corporation shall be taken and transferred to and vested in the surviving corporation without the necessity for any separate transfer. Therefore, on the effective date of the merger, the surviving corporation shall succeed to all such interest of the absorbed corporation including any and all franchises; property, including

any and all real, personal, intellectual, mixed property; choses in action; licenses, copyrights, trade names, trademarks, service marks, and work product; and such interest of the absorbed corporation shall likewise be taken and transferred to and vested in the surviving corporation without the necessity for any separate transfer. The surviving corporation shall then be, barring fraud or misrepresentation, responsible and liable for all liabilities and obligations of the absorbed corporation, and neither the rights of creditors nor any liens on the property of the absorbed corporation shall be impaired by the merger.

### **Section Three**

#### **Further Assurances**

From time to time, as and when required by the surviving corporation, there shall be executed and delivered on behalf of both the surviving corporation and the absorbed corporation such deeds and other instruments, and there shall be taken or caused to be taken by it all such further and other action, as shall be appropriate or necessary in order to vest, perfect or confirm, of record or otherwise, in the surviving corporation the title to and possession of powers, franchises and authority of both the surviving corporation and the absorbed corporation and otherwise to carry out the purposes of these Articles of Merger, and the officers and directors of the surviving corporation are fully authorized in the name and on behalf of both the surviving corporation and the absorbed corporation or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

### **Section Four**

#### **Conversion of Shares**

The manner and basis of converting the shares of the absorbed corporation into shares of the surviving corporation is as follows:

a) The aggregate nine-hundred-sixteen (916) shares of the \$1.00 par value common stock of Sportswear Express, Inc., the absorbed corporation, that are issued and outstanding on the effective date of the merger shall be converted into one-hundred thirty-six (136) shares of the \$.01 par value common stock of P.A.Y. BACK Systems Inc., the surviving corporation, which shares of the common stock of the surviving corporation shall then be issued and outstanding. Therefore, each share of the \$1.00 par value common stock of Sportswear Express, Inc., the absorbed corporation, issued and outstanding on the effective date of the merger shall be converted into *approximately* one fifteen-hundredth (0.15) share of the \$.01 par value common stock of P.A.Y. BACK Systems Inc., the surviving corporation, which shares of the common stock of the surviving corporation shall then be issued and outstanding. However, in no event shall fractional shares of the surviving corporation be issued. In lieu of the issuance of fractional shares to which any holder of the common stock of the absorbed corporation would otherwise be entitled as a result the conversion, share interest(s) shall be approximated based upon the number of whole shares representing the aggregate of such fractional share interests as stipulated in provision Article I, § 4(b) *below*.

b) The conversion shall be effected as follows: After the effective date of the merger, each holder of certificates for shares of common stock in the absorbed corporation shall surrender them to the surviving corporation or its duly appointed agents, in such manner as the surviving corporation shall legally require. On receipt of the share certificates, the surviving corporation in exchange shall issue certificates for shares of common stock in the surviving corporation, representing the number of shares of such stock to which the holder is entitled as provided above. The surviving corporation shall issue to the holders otherwise



entitled to fractional share interests, a certificate for the number of whole shares representing the aggregate of such fractional share interests, any such fractional interest of less than one-half share ( $1/2$  or .50) rounded as an approximation to the nearest whole share value.

- c) Holders of certificates of common stock of the absorbed corporation shall be, where applicable, entitled to dividends payable on shares of stock in the surviving corporation at the point in time in which certificates have been issued to such shareholders. Thereafter, each shareholder, where applicable, shall be entitled to receive any dividends on shares of stock of the surviving corporation issuable to which may have been declared and paid between the effective date of the merger and the issuance to such shareholders of the certificate for his/her shares in the surviving corporation.

#### **Section Five**

##### **Changes in the Articles of Incorporation**

The articles of incorporation of the surviving corporation shall continue to be the articles of the incorporation following the effective date of the merger, except as amended as follows:

- a) Article Eight should be changed to reflect the current Board of Directors of the corporation. The current Board of Directors consist of five (5) members whose names and addresses are stated in Article I, § 7 (a) (*below*).

## **Section Six**

### **Bylaws**

The bylaws of the surviving corporation shall continue to be its bylaws following the effective date of the merger, except as amended as follows:

- 1) Article Six, § 6.5, "Vice Presidents," shall be stricken in its entirety, and a new § 6.5 shall be inserted in its place to read:

Chief Operation Officer. In the absence or disability of the President (stipulated in Article Six, § 6.5 as the chief executive officer), or at the direction of the President, the Chief Operation Officer shall perform the duties and exercise the powers of the President. The Chief Operation Officer shall perform whatever duties and have whatever powers the Board of Directors may from time to time assign.

- 2) Article Six, § 6.7, "Treasurer," shall be stricken in its entirety, and a new § 6.7 shall be inserted in its place to read:

- a) Chief Financial Officer. The Chief Financial Officer shall be responsible for the custody of all funds and securities belonging to the corporation and for the receipt, deposit, or disbursement of funds and securities under direction of the Board of Directors. The Chief Financial Officer shall cause to be maintained full and true accounts of all receipts and disbursements, and shall cause reports of the same to be made to the Board of Directors and the President (Chief Executive Officer) or Chief Operation Officer upon request.

The Chief Financial Officer shall perform whatever duties the Board of Directors may from time to time assign.

- b) Treasurer. The Treasurer shall maintain full and true accounts of all receipts and disbursements of the corporation under the direction of the Chief Financial Officer and the Board of Directors, and shall report the same to the Chief Financial Officer, the Board of Directors, and the President (Chief Executive Officer) or Chief Operation Officer upon request. The Treasurer shall perform whatever duties the Board of Directors may from time to time assign.

3) A new appendage to Article Six, shall be added as § 6.9, "Signatories," that shall read:

Signatories. Only officers empowered with expenditure of funds under any of these articles *and* under the banking resolutions of the Corporation bank shall be deemed signatories empowered with expenditure of funds of the Corporation. Under no circumstances shall any officer *be* empowered with the expenditure of funds under these articles if he is *not* similarly so empowered under the banking resolutions of the Corporation bank, and thus deemed a signatory for the purposes of these articles. If in the event that signatory under any of these articles and the banking resolutions of the Corporation bank, shall be caused by such powers to expend funds in the amount of \$ 20,000.00 or more, such signatory shall be required to obtain the signature of a second (additional) signatory to be affixed to any instrument or other document that would convey such expenditure, *before* any such expenditure may take place.

## **Section Seven**

### **Directors and Officers**

The directors and officers of the surviving corporation on the effective date of the merger as of the effective date of the merger shall be as follows:

#### **a) Board Of Directors**

<u>Name</u>	<u>Address</u>
Kevin T. Gay: Chairman	2959 Mercury Rd. Jacksonville, FL 32207
Mark W. Silliman	2959 Mercury Rd. Jacksonville, FL 32207
Pete W. Krstovic	3250 Peachtree Industrial Blvd. Suite 203 Duluth, GA 30136
Robin W. Krstovic	3250 Peachtree Industrial Blvd. Suite 203 Duluth, GA 30136
Marvin Cosgray	3200 Peachtree Industrial Blvd. POB 667 Duluth, GA 30136

#### **b) Officers**

<u>Name</u>	<u>Address</u>
Pete W. Krstovic Chief Executive Officer	3250 Peachtree Industrial Blvd. Suite 203 Duluth, GA 30136
Robin W. Krstovic Chief Operation Officer	3250 Peachtree Industrial Blvd. Suite 203 Duluth, GA 30136
Mark W. Silliman Chief Financial Officer	2959 Mercury Rd. Jacksonville, FL 32207
Rod Chaplain Treasurer	2959 Mercury Rd. Jacksonville, FL 32207

David O. Webb  
Secretary

3250 Peachtree Industrial Blvd.  
Suite 203  
Duluth, GA 30136

The aforementioned directors and officers shall continue as the directors and officers of the surviving corporation for the full unexpired terms of their offices and until their successors, if such be the case, have been elected or appointed and qualified.

#### **Section Eight**

##### **Prohibited Transactions**

Neither of the constituent corporations shall, prior to the effective date of the merger, engage in any activity or transaction other than in the ordinary course of business, except that the corporations may take all action necessary or appropriate under the laws of the State of Georgia and the State of Florida to consummate this merger.

#### **Section Nine**

##### **Approval by Shareholders**

This plan of merger was unanimously approved by the shareholders of the constituent corporations in the manner provided by the applicable laws of the State of Florida and the State of Georgia at meetings held on January 1, 1997.

#### **Section Ten**

##### **Effective Date of Merger**

The effective date of this merger shall be January 15, 1997, the date when articles of merger are filed with the both the Department of State of Florida and the Secretary of State of Georgia.

## **Section Eleven**

### **Abandonment of Merger**

This plan of merger may be abandoned by action of the Board of Directors of either the surviving or the absorbed corporation at any time prior to the effective date on the happening of any of the following events:

- a) The merger is not approved by the stockholders of either the surviving or the absorbed corporation on or before January 15, 1997.
- b) In the judgment of the Board of Directors of either the surviving or the absorbed corporation, the merger would be impracticable because of the number of shareholders asserting appraisal rights under the laws of the State of Florida or Georgia.
- c) In the judgment of the Board of Directors of either the surviving or the absorbed corporation, the contractual obligation(s) created by the merger would be voidable because of rights under the laws of the State of Florida or Georgia.

## **Section Twelve**

### **Execution of Agreement**

This plan of merger may be executed in any number of counterparts, and each such counterpart shall constitute an original instrument.

## **Article II**

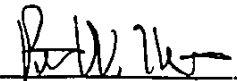
As to each corporation, the plan was adapted at a meeting of the shareholders by the unanimous affirmative vote of the voters of outstanding shares having not less than the

minimum number of votes necessary to adopt such plan, as provided by the articles of incorporation of the respective corporations.

In witness, the undersigned corporation has caused these articles of merger to be executed in its name by its president, sealed with their corporate seals, and attested by its secretary on behalf of, and pursuant to, the authorization of their respective board of directors on the date first written above.

Dated: January 15, 1997.

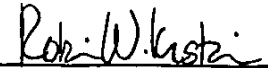
For P.A.Y. BACK Systems, Inc.



Pete W. Krstovic, President

Corporate Seal

Attest:



Robin W. Krstovic, Secretary

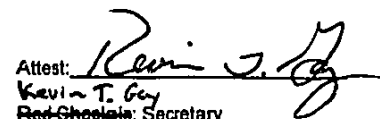
For Sportswear Express, Inc.



Mark W. Stillman, President

Corporate Seal

Attest:



Kevin T. Guy  
Red Chaplain, Secretary

MWS  
PWC  
PWC