

V15023

J. BRENT WEBB, ESQ.
1008 HACKBERRY COURT
CARROLLTON, TEXAS, 75007

PHONE: (972) 394-2617
FAX: (972) 394-6029
EMAIL: BWEBB@CONNECT.NET

December 30, 1997

VIA FEDERAL EXPRESS

Florida Department of State
409 E. Gains Street
Tallahassee, Florida 32399

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-12/31/97--01081--002
****157.50 ****157.50

Attn: Amendments/Merger Section

Re: Mahr Development Corporation of Florida re Articles of Merger

Dear Sirs:

The undersigned represents Mahr Development Corporation of Florida, Joan Mahr Enterprises, Inc., and Sailfish Enterprises, Inc. In such capacity, I have enclosed the original and one (1) copy of the fully executed Articles of Merger (herein so called) regarding such corporations.

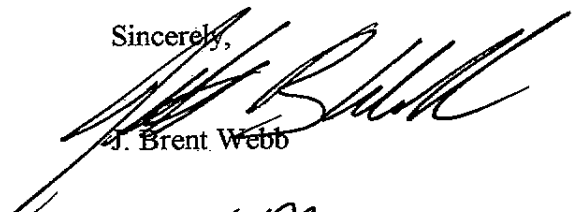
Please also find enclosed the undersigned's check in the amount of \$157.50, \$105.00 of which is for the filing fee (\$35.00 for each of the corporations), and the remaining \$52.50 of which is for a Certified Copy of the Certificate of Merger.

Please file the Articles of Merger and return the Certificate of Filing and the file-stamped copy of the Articles of Merger to the undersigned, along with the Certified Copy requested herein, at the address shown above.

Please call the undersigned at (972) 394-2617 to confirm that the Articles of Merger have been received and approved for filing or to discuss any problems that might effect the filing of the enclosed.

Thank you for your assistance in this matter.

Sincerely,


J. Brent Webb

JBW:/jbw/
123097ltFlaDOS.wpd



VS JAN 9 1998

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97 DEC 31 PM 2:50
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

V15023

ARTICLES OF MERGER
Merger Sheet

MERGING:

SAILFISH ENTERPRISES, INC., a Florida corporation, V71717

JOAN MAHR ENTERPRISES, INC., a Texas corporation not qualified in Florida

INTO

MAHR DEVELOPMENT CORPORATION OF FLORIDA, a Florida corporation,
V15023

File date: December 31, 1997

Corporate Specialist: Velma Shepard

**ARTICLES OF MERGER
FOR
MAHR DEVELOPMENT CORPORATION OF FLORIDA**

Pursuant to the provisions of Section 607.1105 of the Florida Business Corporation Act, the corporations named herein adopt these Articles of Merger regarding the Plan of Merger described below whereby Mahr Development Corporation of Florida, a Florida corporation, is the sole surviving corporation after effecting the merger of Joan Mahr Enterprises, Inc., a Texas corporation, and Sailfish Enterprises, Inc., a Florida corporation, with and into Mahr Development Corporation of Florida.

ARTICLE ONE

PLAN OF MERGER

The Plan of Merger (herein so called) attached hereto as Exhibit "A" and incorporated herein by reference for all purposes has been approved by Mahr Development Corporation of Florida, Joan Mahr Enterprises, Inc., and by Sailfish Enterprises, Inc.

ARTICLE TWO

EFFECTIVE DATE

The effective date of the merger shall be the date upon which these Articles of Merger (herein so called) are filed with the Florida Department of State.

ARTICLE THREE

APPROVAL BY THE SHAREHOLDERS

The Plan of Merger has been approved by the shareholders of each corporation which is a party to the merger described therein as follows:

The Plan of Merger was approved by the shareholders of Mahr Development Corporation of Florida on December 30, 1997;

The Plan of Merger was approved by the shareholders of Sailfish Enterprises, Inc. on December 30, 1997; and

The Plan of Merger was approved by the shareholders of Joan Mahr Enterprises, Inc. on December 30, 1997.

ARTICLE FOUR

APPROVAL OF PLAN BY THE ACQUIRING CORPORATION
AND
BY EACH OTHER PARTY TO THE PLAN

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

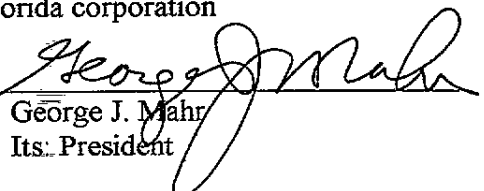
Mahr Development Corporation of Florida is acquiring Sailfish Enterprises, Inc. and Joan Mahr Enterprises, Inc. pursuant to the Plan of Merger, and Mahr Development Corporation of Florida is the sole surviving corporation as a result thereof. The Plan of Merger and the performance of its terms were duly authorized by all action required by the laws under which Mahr Development Corporation of Florida is incorporated and organized and by its constituent documents.

Sailfish Enterprises, Inc. and Joan Mahr Enterprises, Inc. are the only other parties to the Plan of Merger. The Plan of Merger and the performance of its terms were duly authorized by all action required by the laws under which Sailfish Enterprises, Inc. is organized and by its constituent documents. The Plan of Merger and the performance of its terms were also duly authorized by all action required by the laws under which Joan Mahr Enterprises, Inc. is organized and by its constituent documents.

IN WITNESS WHEREOF, the undersigned duly authorized officers of Mahr Development Corporation of Florida, Sailfish Enterprises, Inc., and Joan Mahr Enterprises, Inc. are each executing these Articles of Merger, as of the 30th day of December, 1997.

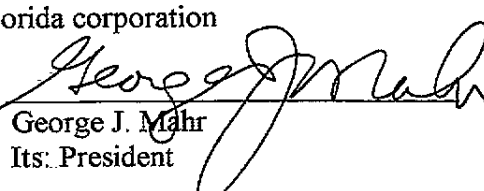
Mahr Development Corporation of Florida,
a Florida corporation

By:


George J. Mahr
Its: President

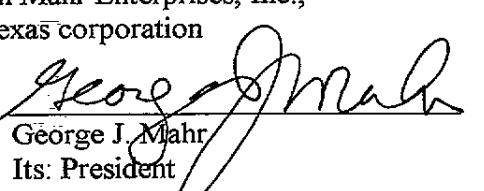
Sailfish Enterprises, Inc.,
a Florida corporation

By:


George J. Mahr
Its: President

Joan Mahr Enterprises, Inc.,
a Texas corporation

By:


George J. Mahr
Its: President

MDCFartofmerFla.wpd

EXHIBIT "A"
PLAN OF MERGER
BETWEEN
MAHR DEVELOPMENT CORPORATION OF FLORIDA,
SAILFISH ENTERPRISES, INC.
AND
JOAN MAHR ENTERPRISES, INC.

Dated as of December 30, 1997

THIS PLAN OF MERGER (this "AGREEMENT") is executed as of the 30th day of December, 1997, by and among MAHR DEVELOPMENT CORPORATION OF FLORIDA, a Florida corporation ("MDCF"), SAILFISH ENTERPRISES, INC., a Florida corporation ("SEI"), and JOAN MAHR ENTERPRISES, INC., a Texas corporation ("JME").

RECITALS

WHEREAS, MDCF, SEI and JME desire to enter into a business combination pursuant to which SEI and JME will each merge with and into MDCF; and

WHEREAS, the respective Boards of Directors of MDCF, SEI and JME have each determined that such a business combination is in the best interest of the respective corporation and its stockholders, and accordingly have approved this merger upon the terms and conditions set forth herein; and

WHEREAS, for federal income tax purposes, it is intended that this merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the foregoing and of the representations, warranties, covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE 1

DEFINITIONS AND CERTAIN RULES OF CONSTRUCTION

1.1 **DEFINITIONS.** In addition to any other terms defined elsewhere in this Agreement, including any Exhibit or Schedule hereto (unless such Exhibit or Schedule provides for a different definition), as used herein, the following terms shall have the following meanings:

(a) "CLOSING" means closing and the consummation of the Merger pursuant to the terms of this Agreement.

- (b) "CLOSING DATE" means the date on which the Closing occurs.
- (c) "CODE" means the Internal Revenue Code of 1986, as amended.
- (d) "EFFECTIVE TIME" is defined in Section 2.3 hereof.
- (e) "FBCA" means the Florida Business Corporation Act, as amended.
- (f) "GOVERNMENTAL AUTHORITY" means any foreign, federal, state or local government, political subdivision or governmental or regulatory authority, agency, board, bureau, commission, instrumentality or court or quasi-governmental authority.
- (g) "IRS" means the United States Internal Revenue Service.
- (h) "LAW" or "LAWS" means any and all statutes, laws, ordinances, proclamations, regulations, published requirements, orders, decrees and rules of any Governmental Authority as amended and in effect from time to time.
- (i) "JME COMMON STOCK" means the Common Stock, par value \$0.01 per share, of JME.
- (j) "JME STOCKHOLDER" means any holder of shares of the JME Common Stock.
- (k) "MDCF COMMON STOCK" means the Common Stock, par value Ten and No/100 Dollars (\$10.00) per share, of MDCF.
- (l) "MDCF STOCKHOLDER" means any holder of shares of the MDCF Common Stock.
- (m) "MERGER" means the merger of JME and SEI with and into MDCF, with MDCF as the surviving corporation.
- (n) "PERSON" means an individual, corporation, partnership, limited liability company, trust, association or other entity, including any Governmental Authority.
- (o) "SEI COMMON STOCK" means the Common Stock, par value Ten and No/100 Dollars (\$10.00) per share, of SEI.
- (p) "SEI STOCKHOLDER" means any holder of shares of the SEI Common Stock.
- (q) "SURVIVING CORPORATION" means MDCF as the sole surviving entity following the consummation of the Merger.

(r) "TAX" or "TAXES" means any foreign, federal, state or local income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

(s) "TBCA" means the Texas Business Corporation Act, as amended.

(t) "TRANSACTIONS" means the transactions contemplated by this Agreement.

1.2 CERTAIN RULES OF CONSTRUCTION. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement. All references in this Agreement to Articles or Sections are references to the Articles or Sections in this Agreement, unless some other reference is clearly indicated. In this Agreement, unless the context otherwise requires, (a) words describing the singular number shall include the plural and vice versa, (b) words denoting any gender shall include all genders, and (c) references to "including" shall mean "including without limitation."

ARTICLE 2

THE MERGER

2.1 THE MERGER. Subject to the terms and conditions set forth in this Agreement, and in accordance with the TBCA and FBCA, at the Effective Time, both JME and SEI shall be merged with and into MDCF and the separate corporate existence of both JME and SEI shall thereupon cease. MDCF shall be the Surviving Corporation in the Merger organized under Florida Law and shall succeed to and assume all of the rights and obligations of both JME and SEI in accordance with the TBCA and the FBCA. The name of the Surviving Corporation shall be Mahr Development Corporation of Florida. The Merger shall have the effects specified in Section 8.2 hereof and in the TBCA and FBCA.

2.2 THE CLOSING. Subject to the terms and conditions of this Agreement, the Closing shall be held (a) at the offices of MDCF, 5420 LBJ Freeway, Suite 626, Dallas, Texas, 75240 at 10:00 a.m., local time, as promptly as practicable following the day on which all of the conditions set forth in Article 8 hereof shall be fulfilled or waived in accordance herewith, or (b) at such other time, date or place as the parties hereto may agree. The Closing Date shall be the same as the date of the Effective Time.

2.3 EFFECTIVE TIME. If all of the conditions to the Merger set forth in Article 8 hereof

shall have been fulfilled or waived in accordance herewith and this Agreement shall not have been terminated as provided in Article 10, on the Closing Date, the parties hereto shall cause Articles of Merger for MDCF, JME and SEI meeting the requirements of the TBCA and the FBCA, each incorporating this Agreement (and setting forth such other information as is required by the TBCA and FBCA (collectively, the "ARTICLES OF MERGER"), to be properly executed and filed, together with any and all other certificates, documents and instruments, in accordance with the TBCA and FBCA. The Merger shall become effective at the time the Articles of Merger are filed with the Secretary of State of Texas and with the Florida Department of State, or at such later time as the parties hereto shall have agreed upon and designated in such filing as the effective time of the Merger (the "EFFECTIVE TIME").

ARTICLE 3

CERTIFICATE OF INCORPORATION AND BYLAWS AND OFFICERS AND DIRECTORS OF THE SURVIVING CORPORATION; REGISTERED OFFICE AND REGISTERED AGENT

3.1 ARTICLES OF INCORPORATION. The Articles of Incorporation of MDCF as previously amended at the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation, until duly amended in accordance with applicable Law. A true and correct copy of the MDCF Articles of Incorporation, which shall be and remain the Articles of Incorporation of MDCF as the Surviving Corporation, are attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.

3.2 BYLAWS. The Bylaws of MDCF in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation, until duly amended in accordance with applicable Law.

3.3 SOLE DIRECTOR. The sole director of the Surviving Corporation immediately after the Effective Time shall be George J. Mahr.

3.4 OFFICERS. The officers of the Surviving Corporation immediately after the Effective Time shall be the following Persons:

President	George J. Mahr
Vice President	Vicki D. Weart
Secretary	George J. Mahr

3.5 REGISTERED OFFICE AND REGISTERED AGENT. The registered office of the Surviving Corporation shall remain unchanged and shall be 1114 North Gadsden Street, Tallahassee,

Florida 32303, and registered agent of the Surviving Corporation shall remain unchanged and shall be Charles A. Francis.

ARTICLE 4

CONVERSION OF COMMON STOCK; ISSUANCE OF CERTIFICATES; OTHER MATTERS

4.1 CONVERSION OF JME AND SEI COMMON STOCK. At the Effective Time, by virtue of the Merger and without any action on the part of MDCF, the MDCF Stockholders, JME, the JME Stockholders, SEI, or the SEI Stockholders:

(a) Each share of JME Common Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive 0.0020 shares of MDCF Common Stock. At the Effective Time, all JME Common Stock outstanding immediately prior to the Effective Time shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each such share of JME Common Stock shall thereafter represent the right to receive a certificate or certificates evidencing such number of whole shares of MDCF Common Stock into which such JME Common Stock was converted in accordance with the first sentence of this Section 4.1(a). At the Effective Time, the JME Stockholders which are the owners of such JME Common Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such JME Common Stock except as otherwise provided herein or by Law. As a result of the conversion described in this Section 4.1(a), an aggregate total of twelve (12) shares of MDCF Common Stock will be issued to the JME Stockholders in exchange for their respective JME Common Stock shares; and

(b) Each share of SEI Common Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive 0.03922 shares of MDCF Common Stock. At the Effective Time, all SEI Common Stock outstanding immediately prior to the Effective Time shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each such share of SEI Common Stock shall thereafter represent the right to receive a certificate or certificates evidencing such number of whole shares of MDCF Common Stock into which such SEI Common Stock was converted in accordance with the first sentence of this Section 4.1(b). At the Effective Time, the SEI Stockholders which are the owners of such SEI Common Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such SEI Common Stock except as otherwise provided herein or by Law. As a result of the conversion described in this Section 4.1(b), an aggregate total of two (2) shares of MDCF Common Stock will be issued to the SEI

Stockholders in exchange for their respective SEI Common Stock shares.

4.2 CONVERSION PROCEDURES; ISSUANCE OF CERTIFICATES. As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall deliver to each JME Stockholder and each SEI Stockholder whose shares were converted pursuant to Section 4.1 into the right to receive shares of MDCF Common Stock certificates representing the shares of MDCF Common Stock that each such Person has the right to receive pursuant to the provisions of this Article 4. All shares of MDCF Common Stock issued in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such JME Common Stock and SEI Common Stock shares, and from and after the Effective Time there shall be no further rights associated with any JME Common Stock or SEI Common Stock shares, and thereafter, each of such JME Common Stock and SEI Common Stock shares shall, without any further action by any Person, be deemed canceled and shall thereafter no longer be of any force, effect or import, and both JME and SEI shall cease to exist as a result of the Merger. MDCF is the record owner of two thousand five hundred (2,500) shares of the JME Common Stock which is to be converted pursuant to this Article 4 upon consummation of the Merger, and the MDCF Common Stock into which MDCF's JME Common Stock is to be converted shall be issued to MDCF as treasury stock and held as such until otherwise deemed appropriate by the board of directors of MDCF.

4.3 CONVERSION OF OUTSTANDING CAPITAL STOCK OF MDCE. Each share of MDCF Common Stock issued and outstanding prior to the Effective Time shall be converted into four (4) shares of MDCF Common Stock at the Effective Time. As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall deliver to each MDCF Stockholder whose shares were converted pursuant to this Section 4.3 into the right to receive shares of MDCF Common Stock certificates representing the shares of MDCF Common Stock that each such Person has the right to receive pursuant to the provisions of this Article 4. All shares of MDCF Common Stock issued in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such MDCF Common Stock, and from and after the Effective Time there shall be no further rights associated with any MDCF Common Stock previously issued and which are to be so converted, and thereafter, each of such MDCF Common Stock shares shall be surrendered and canceled in exchange for the new certificates. As a result of the conversion described in this Section 4.3, an aggregate total of forty (40) shares of MDCF Common Stock will be issued to the MDCF Stockholders in exchange for their respective current MDCF Common Stock shares owned prior to the Effective Time.

4.4 RIGHTS OF DISSENTING SHAREHOLDERS. Notwithstanding anything herein to the contrary, the JME Stockholders shall have all rights of a dissenting shareholder pursuant to the TBCA, and the SEI Stockholders shall have all rights of a dissenting shareholder pursuant to the FBCA.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF JME AND SEI

Except as otherwise may have been previously disclosed to MDCF, JME and SEI, to the best of their respective actual, current knowledge, represent and warrant to MDCF, and to each other, as follows:

5.1 EXISTENCE, GOOD STANDING, CORPORATE AUTHORITY.

(a) JME is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Texas. JME has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as now conducted. The copies of JME's articles of incorporation and bylaws previously made available to the other parties are true and correct.

(b) SEI is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida. SEI has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as now conducted. The copies of SEI's articles of incorporation and bylaws previously made available to the other parties are true and correct.

5.2 AUTHORIZATION, VALIDITY AND EFFECT OF AGREEMENTS. Each has the requisite corporate power and authority to execute and deliver this Agreement and all agreements and documents contemplated hereby. The consummation by each of them of the Transactions has been duly authorized by all requisite corporate action. This Agreement constitutes the valid and legally binding obligation of each such corporation, enforceable in accordance with its terms. Each has taken all action necessary to authorize this Agreement and the plan of merger contained herein pursuant to the requirements of the FBCA and the TBCA and each of its respective constituent documents.

5.3 CAPITALIZATION.

(a) The authorized capital stock of JME consists of one hundred thousand (100,000) shares of JME Common Stock, with a par value of one cent (\$.01) each. As of the date hereof, and prior to the Effective Time, there are six thousand (6,000) shares of JME Common Stock issued and outstanding. All such issued and outstanding shares of JME Common Stock are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. As of the date of this Agreement, there are no other outstanding shares of capital stock and there are no options, warrants, calls, subscriptions, convertible securities, or other rights, agreements or commitments which obligate JME to issue, transfer or sell any shares of capital stock or other voting securities of JME. JME has no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the JME Stockholders on

any matter.

(b) The authorized capital stock of SEI consists of one hundred (100) shares of SEI Common Stock, with a par value of Ten and No/100 Dollars (\$10.00) each. As of the date hereof, and prior to the Effective Time, fifty-one (51) shares of SEI Common Stock are issued and outstanding. All such issued and outstanding shares of SEI Common Stock are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. As of the date of this Agreement, there are no other outstanding shares of capital stock and there are no options, warrants, calls, subscriptions, convertible securities, or other rights, agreements or commitments which obligate SEI to issue, transfer or sell any shares of capital stock or other voting securities of SEI. SEI has no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the SEI Stockholders on any matter.

5.4 SUBSIDIARIES. Neither corporation has any subsidiaries.

5.5 NO VIOLATION OF LAW. Neither corporation is in violation of any order of any court, Governmental Authority or arbitration board or tribunal, or any Law to which it or any of its properties or assets are subject.

5.6 NO CONFLICT. Neither the execution and delivery by either corporation of this Agreement nor the consummation by it of the Transactions in accordance with the terms hereof, will: (i) violate any provisions of its respective articles of incorporation or bylaws; (ii) violate any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination or in a right of termination or cancellation of, or accelerate the performance required by, or result in the creation of any lien upon any of its respective properties under, or result in being declared void, voidable, or without further binding effect, any of the terms, conditions or provisions of, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument or obligation to which it is a party, or by which it or any of its properties is bound or affected; (iii) constitute a violation of any provision of any Law binding upon or applicable to it; or (iv) require any consent, approval or authorization of, or filing or registration with, any governmental or regulatory authority, other than such filings, consents and approvals that are to be obtained before Closing and filings required under the TBCA and/or the FBCA (as applicable) to be made in accordance with the Transactions and as contemplated herein.

5.7 DOCUMENTS AND DISCLOSURES. Each has made available to MDCF and the other all such documents and otherwise disclosed to them all information as previously requested by either such party. In connection therewith, all financial statements and other information fairly presents the financial position of the corporation submitting same as of its date for the periods set forth therein (subject, to normal adjustments).

5.8 LITIGATION. There are no actions, suits or proceedings pending against either such corporation, or to either of their knowledge, threatened against the respective corporation, at law or in equity, or before or by any federal or state commission, board, bureau, agency or instrumentality, that are likely to have, individually or in the aggregate, a material adverse effect on it. There are no outstanding judgments, decrees, injunctions, awards or orders against it that are likely to have, individually or in the aggregate, a material adverse effect on the corporation.

5.9 TAXES. Each has (i) duly filed (or there has been filed on its behalf) with appropriate governmental authorities all tax returns, statements, reports and forms required to be filed by them, on or prior to the date hereof, except to the extent that any failure to file would not have, individually or in the aggregate, a material adverse effect on the corporation, and (ii) duly paid in full or made provisions in accordance with its standard practices, for the payment of all material Taxes for all periods ending through the date hereof or the Closing Date, as the case may be.

5.10 TITLE TO PROPERTIES. Each has, or will have at Closing, good and marketable title to all its assets, free and clear of all liens, except for liens previously disclosed to the other parties, if any. Without limiting the generality of the foregoing, JME and SEI further represent and warrant as follows:

(a) JME represents and warrants that among the properties and assets of JME which are being allocated to and vested in MDCF as a result of the Merger as set forth in Section 8.2 hereof are certain residential building lots located on St. George Island, Franklin County, Florida, title to which is vested in JME by operation of Law as a result of a prior merger transaction between JME and DJ Enterprises, a Texas general partnership, pursuant to which JME was the sole surviving entity (collectively, the "JME REAL ESTATE"). JME represents and warrants that it is and will be the fee simple owner of the JME Real Estate immediately prior to the Merger, as successor by merger to DJ Enterprises; and

(b) SEI represents and warrants that among the properties and assets of SEI which are being allocated to and vested in MDCF as a result of the Merger as set forth in Section 8.2 hereof are certain rights of SEI arising out of the previous sale of certain real property located in the City of Apalachicola, Franklin County, Florida, title to which transferred to a third party in the sale transaction and the proceeds from which were designated by SEI for use in a Section 1031 Like-Kind Exchange (herein so called) transaction under Section 1031 of the Code. It is the intention of the parties that all rights of SEI and all benefits to SEI from the Section 1031 Like-Kind Exchange pass through to MDCF as a result of the Merger by operation of Law. SEI agrees to take all steps as may be reasonably necessary to assure that the benefits of the Section 1031 Like-Kind Exchange flow through as such to MDCF as the Surviving Corporation following the Merger, and that MDCF is properly substituted as successor by merger to SEI into any documentation pertaining to the Section 1031

Like-Kind Exchange if and as necessary to carry out the intent of the parties as specified in this Section 5.10(b).

5.11 NO BROKERS. Neither corporation has entered into any contract, arrangement or understanding with any person or firm that may result in the obligation of the Surviving Corporation to pay any finder's fees, brokerage or agent's commissions or other like payments in connection with the negotiations leading to this Agreement or the consummation of the Transactions.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF MDCF

Except as otherwise may have been previously disclosed to JME and SEI, MDCF, to the best of MDCF's actual, current knowledge, represents and warrants to JME and SEI, as follows:

6.1 EXISTENCE AND ORGANIZATION; AUTHORITY. MDCF is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida. MDCF has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as now conducted. The copies of MDCF's articles of incorporation and bylaws previously made available to the other parties are true and correct.

6.2 AUTHORIZATION; VALIDITY AND EFFECT OF AGREEMENTS. MDCF has the requisite power and authority to execute and deliver this Agreement and all agreements and documents contemplated hereby. The consummation by MDCF of the Transactions has been duly authorized by all requisite corporate action. This Agreement constitutes the valid and legally binding obligation of MDCF, enforceable in accordance with its terms. MDCF has taken all action necessary to authorize this Agreement and the plan of merger contained herein pursuant to the requirements of the FBCA and MDCF's constituent documents.

6.3 MDCF CAPITALIZATION. As of the date hereof, and prior to the Effective Time, the authorized capital stock of MDCF consists of one hundred (100) shares of MDCF Common Stock, with a par value of Ten and No/100 Dollars (\$10.00) each. As of the date hereof, and prior to the Effective Time, ten (10) shares of MDCF Common Stock are issued and outstanding. All such issued and outstanding shares of MDCF Common Stock are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. As of the date of this Agreement, there are no other outstanding shares of capital stock and there are no options, warrants, calls, subscriptions, convertible securities, or other rights, agreements or commitments which obligate MDCF to issue, transfer or sell any shares of capital stock or other voting securities of MDCF. MDCF has no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the MDCF Stockholders on any matter. As of the Effective Time, and upon conversion of the MDCF Common Stock, the JME Common Stock and the SEI Common Stock shares as provided in Article 4 hereof,

there will be a total aggregate of fifty-four (54) shares of MDCF Common Stock issued and outstanding.

6.4 SUBSIDIARIES. MDCF has no subsidiaries. MDCF does, however, own two thousand five hundred (2,500) shares of the JME Common Stock which is to be converted pursuant to Article 4 hereof upon consummation of the Merger.

6.5 NO VIOLATION OF LAW. MDCF is not in violation of any order of any court, Governmental Authority or arbitration board or tribunal, or any Law to which MDCF or any of MDCF's properties or assets are subject.

6.6 NO CONFLICT. Neither the execution and delivery by MDCF of this Agreement nor the consummation by MDCF of the Transactions in accordance with the terms hereof, will: (i) violate any provisions of the MDCF Articles of Incorporation, its bylaws, or its other constituent documents; (ii) violate any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination or in a right of termination or cancellation of, or accelerate the performance required by, or result in the creation of any lien upon any of the properties of MDCF under, or result in being declared void, voidable, or without further binding effect, any of the terms, conditions or provisions of, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument or obligation to which MDCF is a party, or by which MDCF or any of its properties is bound or affected; (iii) constitute a violation of any provision of any Law binding upon or applicable to MDCF; or (iv) require any consent, approval or authorization of, or filing or registration with, any governmental or regulatory authority, other than such filings, consents and approvals that are to be obtained before Closing and filings required under the TRPA and the FBCA to be made in accordance with the Transactions and as contemplated herein.

6.7 MDCF DOCUMENTS AND DISCLOSURES. MDCF has made available to JME and SEI all such documents and otherwise disclosed to them all information as previously requested by such parties. In connection therewith, all financial statements and other information fairly presents the financial position of MDCF as of its date for the periods set forth therein (subject, to normal adjustments).

6.8 LITIGATION. There are no actions, suits or proceedings pending against MDCF, or to MDCF's knowledge, threatened against MDCF, at law or in equity, or before or by any federal or state commission, board, bureau, agency or instrumentality, that are likely to have, individually or in the aggregate, a material adverse effect on MDCF. There are no outstanding judgments, decrees, injunctions, awards or orders against MDCF that are likely to have, individually or in the aggregate, a material adverse effect on MDCF.

6.9 TAXES. MDCF has (i) duly filed (or there has been filed on its behalf) with appropriate governmental authorities all tax returns, statements, reports and forms required to be filed

by it, on or prior to the date hereof, except to the extent that any failure to file would not have, individually or in the aggregate, a material adverse effect on MDCF, and (ii) duly paid in full or made provisions in accordance with MDCF's standard practices, for the payment of all material Taxes for all periods ending through the date hereof or the Closing Date, as the case may be.

6.10 TITLE TO PROPERTIES. MDCF has, or will have at Closing, good and marketable title to all its assets, free and clear of all liens, except for liens previously disclosed by MDCF, if any.

6.11 NO BROKERS. MDCF has not entered into any contract, arrangement or understanding with any person or firm that may result in the obligation of the Surviving Corporation to pay any finder's fees, brokerage or agent's commissions or other like payments in connection with the negotiations leading to this Agreement or the consummation of the Transactions.

ARTICLE 7

COVENANTS

7.1 COVENANTS OF THE PARTIES. During the period from the date hereof and continuing until the Effective Time (except as expressly contemplated or permitted hereby, or to the extent all other parties consent in writing, each party covenants with the others that, insofar as the obligations relate to it, such parties shall each carry on and conduct their respective businesses only in the ordinary course in substantially the same manner as previously conducted and shall use all commercially reasonable efforts to preserve intact their present business organizations, maintain their businesses which shall not be impaired in any material respect at the Effective Time. In addition, each party shall use commercially reasonable efforts to (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary and proper under applicable law to consummate and make effective the Transactions as promptly as practicable, (ii) obtain from any Governmental Authority or any other third party any consents, licenses, permits, waivers, approvals, authorizations, or orders required to be obtained or made by it in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions including, without limitation, the Merger, and (iii) as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement and the Merger required under the TBCA and the FBCA and any other applicable Law. Each party shall cooperate with the others in connection with the making of all such filings, including providing copies of all such documents to the non-filing parties and their advisors prior to filing and, if requested, to accept all reasonable additions, deletions or changes suggested in connection therewith. Each Party shall use commercially reasonable efforts to furnish to each other all information required for any application or other filing to be made pursuant to the rules and regulations of any applicable Law in connection with the Transactions.

7.2 FEES AND EXPENSES. Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party

incurring such costs and expenses.

ARTICLE 8

CONDITIONS; EFFECTS OF THE MERGER

8.1 CONDITIONS TO EACH PARTY'S OBLIGATION TO EFFECT THE MERGER.

The respective obligation of each party to effect the Merger shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) This Agreement and the Transactions shall have been approved in the requisite manner, according to the Articles of Incorporation and Bylaws of each respective corporation which is a party hereto and the TBCA and/or the FBCA (as applicable), by the holders of the issued and outstanding shares of each corporation's capital stock entitled to vote thereon;

(b) All consents, authorizations, orders and approvals of (or filings or registrations with) any Governmental Authority required in connection with the execution, delivery and performance of this Agreement shall have been obtained or made, except for filings in connection with the Merger and any other documents required to be filed after the Effective Time and except where the failure to have obtained or made any such consent, authorization, order, approval, filing or registration would not have a material adverse effect on the parties hereto, as the case may be; and

(c) Each party shall have executed and delivered the Articles of Merger and/or any other appropriate certificates for filing with the Secretary of State of Texas and the Florida Department of State.

8.2. EFFECTS OF MERGER. As a result of the Merger and at the Effective Time, the Merger shall have the following effects in addition to those effects set forth in the applicable provisions of the TBCA and the FBCA:

(a) The separate existence of both JME and SEI shall cease as provided in Article 4 hereof;

(b) Title to all the assets and other property owned by JME and by SEI shall be allocated to and vested in MDCF as the Surviving Corporation, including, but not limited to, the JME Real Estate and the rights of SEI pursuant to the Section 1031 Like-Kind Exchange transaction, in all cases, without reversion or impairment, without further act or deed, and without any transfer or assignment having occurred, but subject to any and all existing liens and encumbrances on such properties; and

(c) All liabilities and obligations of both JME and SEI shall be allocated to MDCF as the Surviving Corporation, and MDCF shall thereafter be the primary obligor for any and all such liabilities and obligations without further act or deed, and without any transfer, assignment or assumption having occurred. MDCF is the payee on certain liabilities of SEI being so assumed pursuant to the Merger by the Surviving Corporation, and MDCF may treat such liabilities on its books in any commercially reasonable manner as deemed appropriate by MDCF's Board of Directors.

ARTICLE 9

INDEMNIFICATION

9.1 INDEMNIFICATION. After the Effective Time, the Surviving Corporation shall, to the fullest extent permitted under applicable law, defend, indemnify and hold harmless each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer or director of JME, SEI and/or MDCF (each of which is hereinafter referred to as an "INDEMNIFIED PARTY" and, collectively, as the "INDEMNIFIED PARTIES") against (i) all costs or expenses (including, without limitation, reasonable attorneys' fees), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, based in whole or in part on, or arising in whole or in part out of, the fact that such Person is or was an officer or director of JME, SEI and/or MDCF, as the case may be, whether pertaining to any matter existing or occurring at or prior to the Effective Time and whether asserted or claimed prior to, at or after, the Effective Time (collectively, the "INDEMNIFIED LIABILITIES"), and (ii) all Indemnified Liabilities based in whole or in part on, or arising in whole or in part out of, or pertaining to, this Agreement, the Merger or the Transactions. After the Effective Time, the Surviving Corporation will be entitled to participate in and, to the extent that it may wish, to assume the defense of any action, with counsel reasonably satisfactory to the Indemnified Party; provided, however, if there is an actual conflict of interest, or if the Surviving Corporation shall fail after the Effective Time to assume responsibility for such defense, such Indemnified Party may retain counsel reasonably satisfactory to the Surviving Corporation who will represent such Indemnified Party, and the Surviving Corporation shall be obligated to pay all reasonable fees and disbursements of such counsel promptly as statements therefor are received. Each of the Indemnified Parties and the Surviving Corporation will cooperate with each other and use their reasonable efforts to assist each other in the vigorous defense of any such matter. This Section 9.1 is intended to be solely for the benefit of, and shall be enforceable by, each Indemnified Party, and shall be binding upon all successors and assigns of the Surviving Corporation. All rights and obligations under this Section 9.1 shall be in addition to any rights an Indemnified Party may have under any other agreement, arrangement or document in effect prior to the Effective Time, or under applicable Law.

ARTICLE 10

TERMINATION

10.1 TERMINATION. This Agreement may be abandoned and terminated at any time prior to the Effective Time, whether before or after any approval by the JME Stockholders, the MDCF Stockholders or the SEI Stockholders either (i) by mutual written consent of all parties hereto, or (ii) otherwise in accordance with the TBCA and FBCA.

10.2 EFFECT OF TERMINATION. In the event of termination of this Agreement as provided in Section 10.1, this Agreement shall forthwith become void and there shall be no liability hereunder on the part of any party hereto or their respective officers or directors.

ARTICLE 11

GENERAL PROVISIONS

11.1 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties and agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Merger.

11.2 EXTENSION; WAIVER. At any time prior to the Effective Time, either party, by action taken or authorized by its Board of Directors, may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties made to such party contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the agreements or conditions for the benefit of such party contained herein.

11.3 NOTICES. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered, mailed or transmitted, and shall be effective upon receipt, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested), or sent by electronic transmission, to the parties at the following addresses (or at such other address for a party as shall be specified by like changes of address):

(a) If to MDCF:

Mahr Development Corporation of Florida
5420 LBJ Freeway
Suite 626
Dallas, Texas 75240

(b) If to JME:

Joan Mahr Enterprises, Inc.
5420 LBJ Freeway
Suite 626
Dallas, Texas 75240

(c) If to SEI:

Sailfish Enterprises, Inc.
5420 LBJ Freeway
Suite 626
Dallas, Texas 75240

11.4 BINDING EFFECT; BENEFIT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

11.5 ENTIRE AGREEMENT. This Agreement, the Exhibits and the Schedules constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect thereto among the parties. No addition to or modification of any provision of this Agreement shall be binding upon any party hereto unless made in writing and signed by all parties hereto.

11.6 GOVERNING LAW. THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION OF ITS TERMS AND THE DETERMINATION OF THE RIGHTS AND DUTIES OF THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE UNITED STATES AND THOSE OF THE STATE OF FLORIDA AND TEXAS AS APPLICABLE.

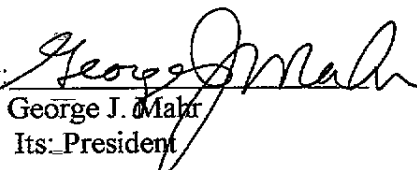
11.7 COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

11.8 SEVERABILITY. Any term or provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

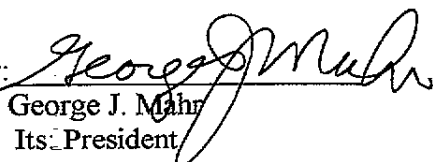
MDCF:

Mahr Development Corporation of Florida,
a Florida corporation

By: 
George J. Mahr
Its: President

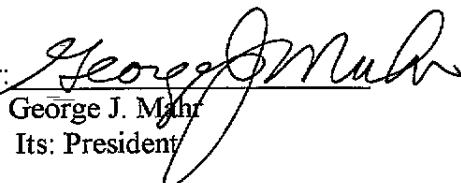
JME:

Joan Mahr Enterprises, Inc.,
A Texas corporation

By: 
George J. Mahr
Its: President

SEI:

Sailfish Enterprises, Inc.,
a Florida corporation

By: 
George J. Mahr
Its: President

mdcfplanrel.wpd

EXHIBIT "A"

ARTICLES OF INCORPORATION

OF

SUNNY DAY INVESTMENT CORPORATION

* * * *

FILED
1992 FEB. 19 AM 10:02
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLE I. NAME

The name of the corporation is SUNNY DAY INVESTMENT CORPORATION.

ARTICLE II. DURATION

This corporation is to exist perpetually.

ARTICLE III. PURPOSE

This corporation is organized for the purpose of transacting any or all business now or hereafter permitted under the laws of the United States and Florida.

ARTICLE IV. CAPITAL STOCK

This corporation is authorized to issue 100 shares of \$10.00 par value common stock.

**ARTICLE V. INITIAL REGISTERED
OFFICE AND AGENT**

The street address of the initial registered office of this corporation is 1114 North Gadsden, Tallahassee, Florida 32303, and the name of the initial registered agent of this corporation at that address is Charles A. Francis.

ARTICLE VI. PRINCIPAL PLACE OF BUSINESS AND MAILING ADDRESS

The principal place of business and mailing address of the corporation is 5430 LBJ Freeway, Suite 1070, Dallas, Texas 75240.

ARTICLE VII. INITIAL DIRECTOR

This corporation shall have no less than one nor more than three Directors. The number of Directors may be either increased

or decreased from time to time by the Bylaws, but until such time as the number is changed by the Bylaws, there shall initially be one Director. The name and address of the initial Director of this corporation is:

GEORGE J. MAHR

5430 LBJ Freeway, Suite 1070
Dallas, Texas 75240

ARTICLE VIII. INCORPORATOR

The name and address of the Incorporator signing these Articles is:

CHARLES A. FRANCIS

1114 North Gadsden Street
Tallahassee, Florida 32303

IN WITNESS WHEREOF, these Articles have been executed and subscribed to by the Incorporator signing below this 18th day of February, 1992.



CHARLES A. FRANCIS
Incorporator

STATE OF FLORIDA
COUNTY OF LEON

I HEREBY CERTIFY that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared CHARLES A. FRANCIS, to me known to be the person described as Incorporator in and who executed the foregoing Articles of Incorporation, and acknowledged before me that he subscribed to the same. He is personally known to me or has produced his driver's license as identification, and did not take an oath.

WITNESS my hand and official seal in the County and State named above this 18th day of February, 1992.



NOTARY PUBLIC
Name: MARILYN A. YEOMANS
My commission expires:

NOTARY PUBLIC, State of Florida at large.
My Commission expires August 27, 1994.

CERTIFICATE DESIGNATING PLACE OF
BUSINESS OR DOMICILE FOR THE SERVICE
OF PROCESS WITHIN FLORIDA, NAMING
AGENT UPON WHOM PROCESS MAY BE SERVED

In compliance with Section 48.091, Florida Statutes, the following is submitted:

FIRST -- That SUNNY DAY INVESTMENT CORPORATION desiring to organize and qualify under the laws of the State of Florida, with its principal place of business in Dallas, Texas, has named CHARLES A. FRANCIS, located at 1114 North Gadsden Street, Tallahassee, Florida 32303, as its agent to accept service of process within Florida.

Having been named to accept service of process for the above-stated corporation, at the place designated in this certificate, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.

Signature: Charles A. Francis

Date: 2-18-1992

FILED
FEB 19 AM 10:02
CLERK OF DISTRICT COURT
JACKSONVILLE, FLORIDA

ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION
OF
SUNNY DAY INVESTMENT CORPORATION

FILED
1992 FEB 24 AM 11:35
TALLAHASSEE, FLORIDA

The undersigned sole incorporator of SUNNY DAY INVESTMENT CORPORATION, files these Articles of Amendment pursuant to Section 607.1005, Florida Statutes, and states:

1. The name of the corporation is SUNNY DAY INVESTMENT CORPORATION.

2. There have been no shares of the corporation issued and this amendment is adopted by the sole incorporator without shareholder action.

3. Article I of the Articles is amended to change the name of the corporation and shall read as follows:

NAME: The name of the corporation is
SUNNY DAY DEVELOPMENT CORPORATION.

4. This amendment was duly adopted by the sole incorporator on the 24th day of February, 1992.

IN WITNESS WHEREOF, these Articles of Amendment were executed by the sole incorporator this 24th day of February, 1992.

Charles A. Francis

CHARLES A. FRANCIS
Sole Incorporator

STATE OF FLORIDA
COUNTY OF LEON

The foregoing Articles of Amendment were acknowledged before me this 24th day of February, 1992, by CHARLES A. FRANCIS as the sole incorporator of SUNNY DAY DEVELOPMENT CORPORATION, f/k/a Sunny Day Investment Corporation, a Florida corporation, on behalf of said corporation. He is personally known to me and he did not take an oath.

Marilyn A. Yeomans

NOTARY PUBLIC

Name: MARILYN A. YEOMANS

My commission expires:

NOTARY PUBLIC, State of Florida, at large.
My Commission expires August 27, 1994.

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
SUNNY DAY DEVELOPMENT CORPORATION
(the "Corporation")

FILED

93 APR 22 PM 3:14

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1006, Florida Statutes, the undersigned Corporation adopts the following Articles of Amendment to its Articles of Incorporation, which amend Article I thereof so as to change the name of the Corporation to "Mahr Development Corporation of Florida".

ARTICLE ONE

The name of the corporation is Sunny Day Development Corporation.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted on April 19, 1993:

Article I of the Articles of Incorporation is hereby amended to read in its entirety as follows:

"ARTICLE I. Name

The name of the Corporation is Mahr Development Corporation of Florida."

ARTICLE THREE

The Amendment was approved by the Shareholders. The number of votes cast for the Amendment was sufficient for approval.

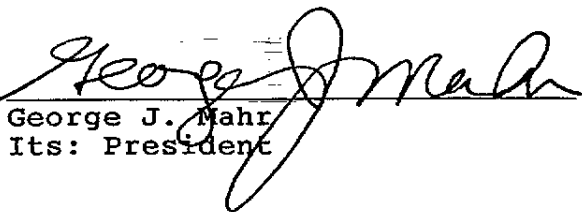
ARTICLE FOUR

The said amendment does not involve any exchange, reclassification or cancellation of issued shares of the Corporation.

Dated as of the 19th day of April, 1993.

Sunny Day Development Corporation,
a Florida corporation

By:


George J. Mahr
Its: President

30700