Document Number Only

F99000004048

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

C T CORPORATION SYSTEM

Requestor's Name
660 East Jefferson Street

Address
Tallahassee, FL 32301 (850)222-1092

City State Zip Phone

900002953059--0
-08/06/99--01079--011
*****70.00 *****70.00

CORPORATION(S) NAME

AMH Merger Co.
merged into:
Advanced Vacation Homes by Styles, Inc

Merger & Name Change

( ) Profit
( ) NonProfit
( ) Limited Liability Company
( ) Foreign
( ) Limited Partnership
( ) Reinstatement
( ) Limited Liability Partnership
( ) Certified Copy

( ) Amendment
( ) Dissolution/Withdrawal
( ) Annual Report
( ) Reservation
( ) Photo Copies

(x) Merger
( ) Mark
( ) Other
( ) Change of R.A.
( ) Fictitious Name
( ) CUS

( ) Call When Ready
(x) Walk In
( ) Mail Out

( ) Call if Problem
( ) Will Wait

( ) After 4:30
(x) Pick Up

Name Availability	8/12/99
Document Examiner	ADR
Updater	ADR
Verifier	
Acknowledgment	
W.P. Verifier	

8/6/99

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THANKS
JOEY

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CR2E031 (1-89)

ARTICLES OF MERGER
Merger Sheet

MERGING:

ADVANTAGE VACATION HOMES BY STYLES, INC., a Fla corp. P95000015534

,

into

AVH MERGER CO. which changed its name to ADVANTAGE VACATION HOMES BY STYLES, INC., a Delaware corporation F99000004048

File date: August 6, 1999

Corporate Specialist: Annette Ramsey

Walk In
Pick up
8/12

FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

August 9, 1999

Please backdate to 8/6.
Thanks

CT Corporation System
660 East Jefferson St.
Tallahassee, FL 32301

SUBJECT: AVH MERGER CO.
Ref. Number: F99000004048

We have received your document for AVH MERGER CO. and your check(s) totaling $70.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

Please include a certificate from Delaware evidencing the name change.

The document must have original signatures.

If you have any questions concerning the filing of your document, please call (850) 487-6907.

Annette Ramsey
Corporate Specialist

Letter Number: 099A00040025

need original certificate

FILED
99 AUG -6 PM 3:07
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER
BETWEEN

AVH MERGER CO.
(a Delaware corporation)

AND

ADVANTAGE VACATION HOMES BY STYLES, INC.
(a Florida corporation)

The undersigned, pursuant to Chapter 607, Section 1101 of the Florida Statutes Annotated, hereby execute the following Articles of Merger and set forth:

1. The name and jurisdiction of the surviving corporation is AVH Merger Co., a Delaware corporation.

2. The name and jurisdiction of the merging corporation is Advantage Vacation Homes by Styles, Inc., a Florida corporation.

3. The Agreement and Plan of Merger is attached as Schedule A. The Agreement and Plan of Merger constitutes the "plan of merger" for the purposes of Section 607.1101(2) of the Florida Corporate Code.

4. The Merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

5. The Plan of Merger was adopted by the board of directors and sole Shareholder of AVH Merger Co. on August 2, 1999.

6. The Plan of Merger was adopted by the consent of the sole shareholder of Styles Estates, Ltd., Inc. on August 5, 1999.

AVH MERGER CO.

By: _____
Name: John K. Lines
Title: President

ADVANTAGE VACATION HOMES BY STYLES, INC.

By: _____
Name: Jean E Styles
Title: President

AGREEMENT AND PLAN OF MERGER

by and among

RESORTQUEST INTERNATIONAL, INC.,

AVH MERGER CO.,

SEL MERGER CO.,

STYLES ESTATES, LTD., INC

ADVANTAGE VACATION HOMES BY STYLES, INC.

and

JEAN E. STYLES, individually

Dated as of August 5, 1999

SCHEDULES

Schedule 1.7	Merger Consideration
Schedule 2.1	Organization, Qualification, etc.
Schedule 2.2	Subsidiaries
Schedule 2.3	Capitalization
Schedule 2.8	No Violations; Consents and Approvals
Schedule 2.9	Financial Statements; Undisclosed Liabilities
Schedule 2.10	Customer Deposits
Schedule 2.11	Employees
Schedule 2.13	Contracts
Schedule 2.14	Real Estate and Personal Property Matters
Schedule 2.15	Litigation
Schedule 2.17	Compliance With Regulations and Orders; Permits; Affiliations
Schedule 2.18	Employee Benefits and Related Matters
Schedule 2.19	Intellectual Property
Schedule 2.20	Environmental Matters
Schedule 2.21	Banking Arrangements
Schedule 2.22	Insurance
Schedule 2.25	Improper and Other Payments
Schedule 2.28	Significant Customers and Suppliers; Material Plans and Commitments
Schedule 2.29	Year 2000 Compliance
Schedule 2.31	Managed Properties
Schedule 4.10	Termination Agreements
Schedule 7.7(a)	Indebtedness to be Paid by Closing
Schedule 7.7(b)	Other Indebtedness
Schedule 7.16	Grant of Licenses
Schedule 10.6	Indemnification Matters

EXHIBITS

EXHIBIT A	FORM OF SELLER'S CERTIFICATE
EXHIBIT B	FORM OF SECRETARY'S CERTIFICATE
EXHIBIT C	FORM OF OFFICER'S CERTIFICATE
EXHIBIT D	FORM OF OPINION OF COUNSEL TO THE SELLERS
EXHIBIT E	FORM OF GENERAL RELEASE
EXHIBIT F	FORM OF STYLES EMPLOYMENT AGREEMENT
EXHIBIT G	FORM OF AFFILIATE AGREEMENT
EXHIBIT H	FORM OF PROMISSORY NOTE
EXHIBIT I	FORM OF CERTIFICATE OF MERGER
EXHIBIT J	FORM OF MANAGEMENT AGREEMENTS
EXHIBIT K	FORM OF LEASE AGREEMENT
EXHIBIT L	FORM OF OPINION OF COUNSEL TO THE BUYERS
EXHIBIT M	[INTENTIONALLY LEFT BLANK]
EXHIBIT N	FORM OF ASSIGNMENT OF AUTOMOBILE LEASES
EXHIBIT O	FORM OF MANAGEMENT AGREEMENT FOR LINDFIELDS' PROPERTIES
EXHIBIT P	FORM OF TRANSFER OF ECONOMIC BENEFITS AGREEMENT

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is made and entered into as of August 5, 1999 by and among **RESORTQUEST INTERNATIONAL, INC.**, a Delaware corporation ("RQI"), **AVH MERGER CO.**, a Delaware corporation and a wholly owned subsidiary of RQI ("AVH Merger Sub"), **SEL MERGER CO.**, a Delaware corporation and a wholly-owned subsidiary of RQI ("SEL Merger Sub") (RQI, AVH Merger Sub and SEL Merger Sub are sometimes hereinafter referred to collectively as the "Buyers"), **ADVANTAGE VACATION HOMES BY STYLES, INC.**, a Florida corporation ("Advantage"), **STYLES ESTATES, LTD., INC.** a Florida corporation ("Styles Estates" and, together with Advantage, sometimes referred to herein as the "Companies") and Jean E. Styles (the "Stockholder") (the Companies and the Stockholder are sometimes hereinafter referred to collectively as the "Sellers"). Capitalized terms, if not defined when first used herein, shall have the meanings set forth in **Sections 11.3** and **Schedule 1.7**.

WHEREAS, Advantage and Styles Estates are engaged in the business of providing rental, real estate and management services (the "Services");

WHEREAS, the Stockholder owns all of the issued and outstanding shares of the capital stock of Advantage and Styles Estates (the "Shares");

WHEREAS, the respective Boards of Directors of RQI, AVH Merger Sub and Advantage have determined that it is advisable and in the best interests of the companies and their respective stockholders that Advantage merge with and into AVH Merger Sub pursuant to this Agreement, with AVH Merger Sub being the surviving corporation (the "AVH Merger");

WHEREAS, the respective Boards of Directors of RQI, SEL Merger Sub and Styles Estates have determined that it is advisable and in the best interests of the companies and their respective stockholders that Styles Estates merge with and into SEL Merger Sub pursuant to this Agreement; with SEL Merger Sub being the surviving corporation (the "SEL Merger" and, together with the AVH Merger, the "Mergers");

WHEREAS, for federal income tax purposes, the parties intend that the SEL Merger shall qualify as a tax free reorganization within the meaning of Section 368 of the Code; and

WHEREAS, the Buyers and Sellers desire to make certain representations, warranties, covenants and agreements in connection with the Mergers and also prescribe certain conditions to the Mergers.

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

ARTICLE I
MERGERS; MERGER CONSIDERATION; CLOSING; AGREEMENTS

1.1. The Mergers. At the Effective Time, upon the terms and subject to the conditions set forth in this Agreement, Advantage shall be merged with and into AVH Merger Sub and Styles Estates shall be merged with and into SEL Merger Sub, in accordance with the General Corporation Law of the State of Delaware (the "DGCL") and the Florida Business Corporation Act (the "FBCA"). As a result of the Mergers, the separate existence of Advantage and Styles Estates shall cease and AVH Merger Sub and SEL Merger Sub, respectively, shall continue as the surviving corporations resulting from the Mergers (the "Surviving Corporations").

1.2. Consummation of Mergers. As promptly as practicable after the satisfaction or, if permissible, waiver in writing of the conditions set forth in **Article 7** and **Article 8** hereof, the parties hereto shall cause the Mergers to be consummated by filing for each Merger a Delaware Certificate of Merger, substantially in the form of **Exhibit I** hereto (the "Delaware Certificates of Merger"), with the Secretary of State of the State of Delaware and articles of merger with the Secretary of State of the State of Florida (the "Florida Articles of Merger" and, together with the Delaware Certificates of Merger, the "Certificates of Merger") in such form as required by, and executed in accordance with, the relevant provisions of Florida's law (the time of such filings being herein referred to as the "Effective Time" and the date of such filings being herein referred to as the "Merger Date").

1.3. Effect of the Mergers. At the Effective Time, the effect of the Mergers shall be as provided in the applicable provisions of the DGCL and the FBCA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, except as otherwise provided herein, the identity, all of the property (whether real, personal or mixed), rights, privileges, powers, immunities, franchises, debts, liabilities and duties of Advantage and Styles Estates shall be merged with, fully vest in and become the property, rights, privileges, powers, immunities, franchises, debts, liabilities and duties of the respective Surviving Corporations and the separate existence of Advantage and Styles Estates shall cease.

1.4. Articles of Incorporation; Bylaws. At the Effective Time, the Certificate of Incorporation and the Bylaws of the Surviving Corporations shall be the Certificate of Incorporation and Bylaws of AVH Merger Sub and SEL Merger Sub, respectively, as in effect immediately prior to the Effective Time, in each case until duly amended in accordance with applicable law.

1.5 Directors and Officers.

(a) At the Effective Time, the directors of the Surviving Corporations shall be the directors of AVH Merger Sub and SEL Merger Sub, respectively, immediately prior to the Effective Time, to hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporations, until their successors are duly elected or appointed and qualified.

(b) At the Effective Time, the officers of the Surviving Corporations shall be the officers of AVH Merger Sub and SEL Merger Sub immediately prior to the Effective Time, in each case until their respective successors are duly elected or appointed and qualified.

1.6. Company Name. As of the Effective Time, the Certificate of Incorporation of AVH Merger Sub shall be amended to change the name of that Surviving Corporation to "Advantage Vacation Homes by Styles, Inc.," a Delaware corporation, and the Certificate of Incorporation of SEL Merger Sub shall be amended to change the name of that Surviving Corporation to "Styles Estates, Ltd.," a Delaware corporation.

1.7. Merger Consideration. Subject to the satisfaction of the terms and conditions of this Agreement, and by virtue of the Mergers and without any action on the part of the Stockholder, all of the Shares will be converted into the right to receive, and the Stockholder shall receive, based upon her ownership of the Shares of Advantage and Style Estates as set forth on **Schedule 2.3** hereto, the Merger Consideration (as defined and calculated in accordance with **Schedule 1.7** hereto), to be paid as follows:

(a) Estimated Merger Consideration. At the Closing, RQI shall deliver to the Stockholder the Estimated Merger Consideration (as defined and calculated in accordance with **Schedule 1.7** hereof), as follows:

(i) In the AVH Merger, RQI shall deliver to the Stockholder, cash in an aggregate amount equal to $1,911,374.30 (the "Closing Cash Consideration") by wire transfer of immediately available funds to one or more bank accounts designated by the Stockholder; and

(ii) In the SEL Merger, RQI shall issue to the Stockholder 7,602 shares (the "Closing Stock Consideration") of common stock of RQI, par value $.01 per share (the "RQI Stock"). In addition, on the first anniversary of the Closing Date, and subject to the provisions of **Section 6.9**, RQI will deliver to the Stockholder a number of shares of RQI Stock determined by dividing (x) $749,274.23, less an amount equal to the sum of (A) the amount of unpaid principal and accrued and unpaid interest on the Note described in **Section 1.9** plus (B) the amount of any Indemnification Claim by any Buyer Indemnified Party then pending or unpaid by the Stockholder, plus (C) any portion of the Deficiency Amount which has not been paid by the Stockholder as provided in **Section 1.7(b)(ii)** by (y) the Average Price as of the Closing Date (such shares being herein referred to as the "Post Closing Stock Consideration").

(b) Post-Closing Adjustment. Within one hundred twenty (120) days after the Closing Date, RQI shall calculate and determine the Adjusted Merger Consideration in accordance with **Schedule 1.7** hereto (the date on which the Adjusted Merger Consideration calculation is made is hereinafter referred to as the "Determination Date") and:

(i) If the Adjusted Merger Consideration is greater than the Estimated Merger Consideration (the excess hereinafter referred to as the "Additional Amount"), then RQI shall promptly deliver to the Stockholder the Additional Amount in cash.

(ii) If the Adjusted Merger Consideration is less than the Estimated Merger Consideration, then RQI shall have the right to offset the amount of the deficiency which exceeds Seventy Five Thousand and no/100ths Dollars ($75,000.00) (such excess amount being hereinafter referred to as the "Deficiency Amount") against the following rights otherwise due to the Stockholder under this Agreement: (i) the Post Closing Stock Consideration, and, if not sufficient to pay the Deficiency Amount, (ii) the Contingency Payments (as described in Schedule 1.7), if any, due to the Stockholder. If the Post Closing Stock Consideration and the Contingency Payments are not sufficient to fully pay the Deficiency Amount, then the Shareholder shall pay any portion of the Deficiency Amount remaining unpaid that exceeds the amount of One Hundred Fifty Thousand and no/100ths Dollars ($150,000.00) within thirty (30) days after the Second Contingency Payment amount is finally determined. However, in no event shall the Stockholder's total liability under this Agreement exceed the Merger Consideration. In addition to the Deficiency Amount, if the amounts owed to the Companies by the Stockholder, Lindfields Reserve, LP, a Florida limited partnership ("Lindfields") or any entity in which the Stockholder holds an equity interest (the "Affiliate Receivables") exceeds Seven Hundred Forty Nine Thousand Two Hundred Seventy One and no/100ths Dollars ($749,271.00), the Stockholder shall pay to RQI on the Determination Date, the amount by which the Affiliate Receivables exceed said amount.

(c)

(d) Contingent Merger Consideration. Subject to the provisions of **Section 1.7(a)(ii)** and **Section 6.9**, RQI shall deliver to the Stockholder, on the dates set forth in **Schedule 1.7** hereto, the Contingent Merger Consideration, if any, as defined and determined in accordance with **Schedule 1.7** hereto by wire transfer of immediately available funds to one or more bank accounts designated by the Stockholder (the "Contingent Cash Consideration").

(e) No Fractional Shares. No certificate representing fractional shares of RQI Stock will be issued in the SEL Merger and such fractional share interests will not entitle the owner thereof to vote or to any rights of a stockholder of RQI. In lieu of any such fractional shares, the Stockholder will be entitled to receive from RQI shares of RQI Stock rounded upward or downward to the nearest whole share.

(f) Effect on Shares. From and after the Closing Date, the Shares shall be canceled and terminated, shall represent solely the right to receive the Merger Consideration in respect of the Shares, and shall have no other rights. No interest shall accrue or be payable on any Merger Consideration. Furthermore, each of the shares of common stock of Advantage or Styles Estates, if any, held in treasury at the Closing Date shall, by virtue of the Mergers, be canceled without payment of any consideration therefor and without any conversion thereof.

1.8. RQI Common Stock. All RQI Stock received by the Stockholder pursuant to this Agreement shall, except for restrictions on resale or transfer or other limitations, terms and conditions described herein and in the exhibits hereto, have the same rights as all of the other shares of outstanding RQI Stock by reason of the provisions of the Certificate of Incorporation of RQI or as otherwise provided by the DGCL. All voting rights of such RQI Stock received by the

Stockholder shall be fully exercisable by the Stockholder and the Stockholder shall not be deprived nor restricted in exercising those rights.

1.9. Ancillary Agreements. Simultaneously with the Closing and effective as of the later of the Closing Date or the Effective Date, (i) Jean Styles will enter into an employment agreement with RQI or its designated affiliate in the form of **Exhibit F** hereto (the "Employment Agreement"), (ii) in accordance with **Section 1.12** hereof, the Stockholder will enter into an agreement with RQI in the form of **Exhibit G** hereto relating to restrictions on the transfer of RQI Stock (the "Affiliate Agreement"); and (iii) the Stockholder will execute and deliver to Advantage a promissory note in the form of **Exhibit H** hereto in the original principal amount of Seven Hundred Forty Nine Thousand Two Hundred Seventy One and no/100ths Dollars ($749,271.00) (the "Note"), in exchange for assignment to the Stockholder of the Lindfields Receivables in the amount of $749,271.

1.10. Closings. Unless this Agreement is terminated in accordance with **Section 9** hereof, the closing of the transactions provided for in this Agreement (the "Closings") will take place August 5, 1999 or such other date as the Buyers and the Sellers shall mutually agree (the "Closing Date") at such time, place and manner agreed upon by the respective parties prior to the Closings. Subject to the provisions of **Section 9**, failure to consummate the transactions provided for in this Agreement on the date and time and at the place determined pursuant to this **Section 1.10** will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement.

1.11. Closing Obligations. At the Closings:

(a) Advantage, Styles Estates and the Stockholder will execute and deliver, or cause to be executed and delivered, to the Buyers the following agreements, documents, opinion and certificates (hereinafter referred to as the "Sellers' Closing Documents"):

(i) certificates, in genuine and unaltered form, representing the Shares, free and clear of all Liens and other encumbrances, duly endorsed in blank or accompanied by duly executed stock powers endorsed in blank, with requisite stock transfer tax stamps, if any, for transfer to RQI;

(ii) the Sellers' certificate, in the form of **Exhibit A**, executed by the Stockholder;

(iii) a certificate of the Secretary of each of Advantage and Styles Estates, in the form of **Exhibit B** hereto ("Secretary's Certificates");

(iv) a certificate of the principal executive officer and the principal financial officer of each of Advantage and Styles Estates, in the form of **Exhibit C** hereto ("Officer's Certificates");

(v) an opinion of Milam Otero Larson Dawson & Traylor, P. A., counsel to Advantage, Styles Estates and the Stockholder, dated the Closing Date, in the form of **Exhibit D** hereto (the "Opinion of Counsel to the Sellers");

(vi) a General Release in the form of **Exhibit E**, executed by the Stockholder;

(vii) the Employment Agreement, in the form of **Exhibit F,** executed by the Stockholder;

(viii) an Affiliate Agreement, in the form of **Exhibit G**, executed by the Stockholder;

(ix) the Florida Articles of Merger, evidence of the merger of Advantage with and into AVH Merger Co. and the merger of Styles Estates with and into SEL Merger Co., duly executed by Advantage and Styles Estates, to be filed with the Secretary of State of the State of Florida;

(x) the evidence required pursuant to **Section 7.7** hereof with respect to each of Advantage's and Styles Estates' indebtedness and evidence of the release of, or with respect to indebtedness to be paid off after the Closings, agreement by the Creditors to release promptly after the Closings, all Liens with respect thereto;

(xi) written consents to the transactions described herein, in form and substance reasonably acceptable to the Buyers, obtained from those parties identified on **Schedule 2.8**;

(xii) certificates issued by the appropriate governmental authorities evidencing the good standing, with respect to both the conduct of business and the payment of all franchise taxes, of Advantage and Styles Estates as of a date not more than thirty (30) days prior to the Closing Date, each as a corporation organized under the laws of the State of Florida and as a foreign corporation authorized to do business under the laws of the various jurisdictions where it is so qualified;

(xiii) the Note;

(xiv) an assignment and assumption agreement in the form of **Exhibit N** hereto relating to one automobile currently leased jointly by Advantage and the Stockholder;

(xv) the Transfer of Economic Benefits Agreement in the form of **Exhibit P** hereto;

(xvi) Lease Agreements in the form of **Exhibit K** hereto (the "Lease Agreements") between each of Advantage and Styles Estates;

(xvii) Management Agreement in the form of **Exhibit O** fully executed by all parties;

(xviii) such other certificates, agreements, instruments and documents as the Buyers may reasonably request.

(b) The Buyers will deliver to the Stockholder the following agreements, documents, opinion and certificates (hereinafter referred to as the "Buyers' Closing Documents"):

(i) the Closing Cash Consideration by wire transfer of immediately available funds in the amount thereof to such account(s) as the Stockholder may direct by written notice delivered to RQI by the Stockholder;

(ii) a Secretary's Certificate for each of AVH Merger Sub, SEL Merger Sub and RQI, executed by the Secretary or Assistant Secretary thereof;

(iii) an Officer's Certificate for each of AVH Merger Sub, SEL Merger Sub and RQI, executed by an appropriate officer thereof;

(iv) the Employment Agreement, executed by AVH Merger Sub and SEL Merger Sub;

(v) the Affiliate Agreement, executed by RQI;

(vi) the Certificates of Merger duly executed by AVH Merger Sub and SEL Merger Sub, to be filed with the Secretary of State of the States of Delaware and Florida;

(vii) certificates issued by the appropriate governmental authorities evidencing the good standing, with respect to both the conduct of business and the payment of all franchise taxes, of RQI, AVH Merger Sub and SEL Merger Sub as of a date not more than thirty (30) days prior to the Closing Date, as corporations organized under the laws of the State of Delaware; and

(viii) an opinion of Hunton & Williams, each as counsel to RQI, AVH Merger Sub and SEL Merger Sub, dated the Closing Date, in the form of **Exhibit L** (the "Opinion of Counsel to the Buyers").

1.12. RQI Stock Transfer Restrictions.

(a) Transfer Restrictions; Affiliate Agreements. The Stockholder acknowledges that she may be deemed to be an "affiliate" of the Companies and of the Surviving Corporations and RQI, as that term is defined for purposes of paragraphs (c) and (d) of Rule 145 ("Rule 145") of the Securities Act of 1933, as amended (the "Securities Act") which rule subjects such affiliates to certain limitations and restrictions with respect to the sale or transfer of stock received in connection with a merger. Accordingly, the Stockholder agrees that the Closing

Stock Consideration, any Contingent Stock Consideration, and any and all other or additional shares of capital stock of RQI issued or delivered by RQI thereto, including, without limitation, any shares of capital stock of RQI issued or delivered as a result of any stock split, stock dividend, stock distribution, recapitalization or similar transaction (the "Restricted RQI Stock"), shall be subject to the conditions and restrictions set forth in this **Section 1.12** and in the Affiliate Agreement.

(b) Restrictions on Transfer

(i) Other than transfers to immediate family members who agree to be bound by the restrictions set forth in this **Section 1.12** (or trusts for the benefit of family members of the Stockholder, the trustees of which so agree), the Stockholder shall not sell, assign, exchange, transfer, pledge, hypothecate, encumber, distribute or otherwise dispose of (collectively, "Transfer") any shares of Restricted RQI Stock received by the Stockholder hereunder, except in compliance with (A) federal and state securities laws, rules and regulations (collectively, "Securities Laws") including, without limitation, Rule 145, and (B) the Affiliate Agreement. The certificates evidencing the Restricted RQI Stock shall bear a legend substantially in the form set forth in the Affiliate Agreement and shall contain such other information as RQI may deem necessary or appropriate. Pursuant to such Affiliate Agreement, the Stockholder shall agree, in writing, that, subject to the Affiliate Restrictions, no more than the following cumulative percentages of the Closing Stock Consideration and the Post-Closing Stock Consideration, will be sold or transferred prior to the following anniversaries of the Closing Date:

Anniversary	Cumulative Permitted Percentage
Second	50%
Third	100%

(ii) If the Stockholder desires to make a Transfer, Stockholder shall first provide written notice thereof to RQI, together with the name of the broker or market maker through whom the Stockholder desires to make the Transfer. As soon as reasonably practicable, but not more than three (3) business days, after receipt of such notice by RQI, RQI shall either (i) permit the Stockholder to use her broker or market maker, or (ii) designate in writing to the Stockholder the names and other pertinent information of at least two other brokers or market makers who actively make a market of RQI's stock and through whom the Transfer may be made (subject to Rule 145 limitations and restrictions on resale, as applicable). RQI shall not record a Transfer upon its books of any shares of Restricted RQI Stock unless prior thereto RQI shall have received from counsel to the Stockholder, reasonably acceptable to RQI, an opinion of such counsel, in form and substance satisfactory to RQI that such Transfer is in compliance with this **Section 1.12** and Rule 145 or registered under the Securities Act.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLERS

The Sellers, jointly and severally, make the following representations and warranties to the Buyers, each of which shall be deemed material (and the Buyers, in executing, delivering and consummating this Agreement, have relied and will rely upon the correctness and completeness of each of such representations and warranties notwithstanding independent investigation, if any).

2.1. Organization, Qualification, etc.

(a) Each of Advantage and Styles Estates is a corporation duly organized, validly existing and in good standing under the laws of Florida with full corporate power and authority to carry on its business as it is now being conducted and proposed to be conducted, and to own, operate and lease its properties and assets.

(b) Each of Advantage and Styles Estates is duly qualified, licensed or admitted to do business and is in good standing in the jurisdictions set forth on **Schedule 2.1** attached hereto, which are the only jurisdictions in which the conduct of its business, the ownership, operation or leasing of its properties and assets, or the transactions contemplated by this Agreement, require it to be so qualified, licensed or admitted, except for those jurisdictions in which such failure to be so qualified, licensed or admitted and in good standing would not have a Material Adverse Effect. Each of Advantage and Styles Estates does not, and has not at any time during the immediately preceding five (5) years, conducted, transacted or solicited business in any state or jurisdiction except those listed in **Schedule 2.1** hereto.

(c) True, complete and correct copies of each of Advantage's and Styles Estates' articles of incorporation and bylaws, including, without limitation, any amendments thereto (collectively, the "Charter Documents"), as presently in effect, are attached to **Schedule 2.1**.

2.2. Subsidiaries. Except as set forth on **Schedule 2.2 or in the Interim Financial Statements**, neither Advantage nor Styles Estates has any Subsidiaries or any investment or other interest in, or any outstanding loan or advance to or from, any Person, including any officer, director, member, manager or Affiliate thereof.

2.3. Capitalization. **Schedule 2.3** sets forth, as of the date hereof, the authorized capital stock of each of Advantage and Styles Estates, the par value, and the number of issued and outstanding shares and the record owners thereof. **Schedule 2.3** sets forth all of the issued and outstanding shares of capital stock of each of Advantage and Styles Estates. All of the issued and outstanding Shares have been duly authorized and validly issued, and fully paid and non-assessable, and were offered, issued, sold and delivered by Advantage and Styles Estates in compliance with all applicable state and federal securities laws. The stock record books of Advantage and Styles Estates have been delivered to the Buyers for inspection prior to the date hereof and each is true, complete and correct. All amounts payable by the Stockholder with respect to the Shares pursuant to the Charter Documents have been paid in full. None of the

Shares have been issued in violation of the preemptive or other rights of any past or present stockholder of either Advantage and Styles Estates.

2.4. Record Books. The record books of Advantage and Styles Estates, including, without limitation, the minute books have been delivered to the Buyers for inspection prior to the date hereof and each is true, complete and correct and contains all of the proceedings of, and material actions taken by, the Stockholder and directors of Advantage and Styles Estates.

2.5. Title to Stock. All of the issued and outstanding shares of the capital stock of Advantage and Styles Estates are, and immediately prior to the Closing will be, owned beneficially and of record by the Stockholder, free and clear of any and all Liens, contractual restrictions or limitations of any nature whatsoever.

2.6. Options and Rights. There are no outstanding subscriptions, options, warrants, rights, securities (including, without limitation, those convertible or exchangeable into the capital stock or other ownership or equity interests of Advantage or Styles Estates), contracts, agreements, commitments, understandings or other arrangements (whether oral or written) under which Advantage or Styles Estates is bound or obligated to issue any additional shares of capital stock or rights to purchase shares of capital stock (collectively, "Options"). There are no contracts, commitments, agreements, arrangements or understandings between the Stockholder, Advantage or Styles Estates and any other Person regarding the Shares other than this Agreement (including, without limitation, regarding the transfer, disposition, holding or voting thereof). No person or entity has any preemptive or other right to acquire any shares of Advantage's or Styles Estates' capital stock. The Stockholder hereby irrevocably waives any preemptive or other right to acquire any shares of capital stock of Advantage or Styles Estates that such Stockholder has or may have had on the date hereof or may acquire prior to the Effective Time.

2.7. Authorization, Etc. Each of Advantage and Styles Estates has full corporate power and authority and the Stockholder has full legal right, power and capacity to enter into this Agreement and the other agreements, documents, instruments and certificates contemplated herein or related hereto (collectively, the "Ancillary Documents") to which Advantage and Styles Estates or the Stockholder is a party and to perform their respective obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the Ancillary Documents and the transactions contemplated hereby and thereby have been duly authorized by the board of directors of each of Advantage and Styles Estates and by the Stockholder and no other corporate proceedings or actions on the part of Advantage or Styles Estates is necessary to authorize this Agreement, the Ancillary Documents and the transactions contemplated hereby and thereby. Each of the Sellers was represented by and had the benefit of legal counsel who participated in the preparation and negotiation of this Agreement. Upon execution and delivery of this Agreement and the Ancillary Documents by the parties hereto and thereto, this Agreement and each of the Ancillary Documents shall constitute the legal, valid and binding obligation of the Sellers party hereto and thereto, enforceable against each such party in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditor rights generally and by general equitable principles.

2.8. No Violation; Consents and Approvals. Except as set forth on **Schedule 2.8** hereto, the execution and delivery by the Sellers of this Agreement, the Ancillary Documents to which each is a party and the fulfillment of and compliance with the respective terms hereof and thereof by the Sellers do not and will not, (a) conflict with or result in a breach of the terms, conditions or provisions of, (b) constitute a default or event of default under (with due notice, lapse of time or both), (c) result in the creation of any Lien upon the capital stock or assets of any of the Sellers pursuant to, (d) give any third party the right to accelerate any obligation under, (e) result in a violation of, or (f) require any authorization, consent, approval, exemption or other action by or notice to any Authority or other third party (including, without limitation, any creditor, customer or supplier) pursuant to, the Charter Documents of Advantage or Styles Estates or any Regulation, Order or Contract to which any of the Sellers is subject. Each of the Sellers has complied with all applicable Regulations and Orders in connection with the execution, delivery and performance of this Agreement, the Ancillary Documents to which each is a party and the transactions contemplated hereby and thereby. None of the Sellers is required to submit any notice, report, or other filing with any governmental authority in connection with its execution or delivery of this Agreement, the Ancillary Documents to which it is a party or the consummation of the transactions contemplated hereby and thereby. No authorization, consent, approval, exemption or notice is required to be obtained by any of the Sellers in connection with the execution, delivery, and performance of this Agreement, the Ancillary Documents to which it is a party and the transactions contemplated hereby and thereby.

2.9. Financial Statements; Undisclosed Liabilities.

(a) Financial Statements. Attached as **Schedule 2.9** hereto are the following financial statements of Advantage and Styles Estates: (i) unaudited balance sheets as of December 31, 1997 and 1998 (each a "Balance Sheet" and collectively, the "Balance Sheets"); (ii) unaudited statements of income, changes in stockholders' equity and cash flow and related schedules thereto for the fiscal years ended December 31, 1997 and 1998 (the "Related Statements"); and (iii) an unaudited balance sheet as of and the statement of revenues and expenses and the related schedules thereto for the seven (7) month period ended July 31, 1999 (the "Interim Financial Statements" and, collectively with the Balance Sheets and the Related Statements, the "Financial Statements"). The Financial Statements (x) fairly present the financial position, condition and results of operations of Advantage and Styles Estates at the respective dates thereof (except as stated therein or in the notes or schedules thereto) applied on a consistent basis, and (y) were compiled from the books and records of each of Advantage and Styles Estates regularly maintained by management and used to prepare the financial statements thereof.

(b) Undisclosed Liabilities. Except as set forth on **Schedule 2.9** attached hereto, each of Advantage and Styles Estates, respectively, has no liability, whether accrued, absolute or contingent, of a type required to be reflected on a balance sheet or described in the notes thereto in accordance with GAAP.

2.10. Customer Deposits. Deposits received from customers ("Deposits") are individually identified on **Schedule 2.10**, as to amount as well as payor, as of the date specified thereon. The Deposits are held by each of Advantage and Styles Estates in segregated and

separately identified bank accounts as set forth on **Schedule 2.10**, and are not commingled with other cash, assets or property of Advantage and Styles Estates.

2.11. Employees. Attached as **Schedule 2.11** hereto is an accurate list showing all officers, directors and employees of each of Advantage and Styles Estates, listing all employment agreements with such persons (i) as of the Interim Financials (the "Balance Sheet Date") and (ii) as of the date hereof. Attached to **Schedule 2.11** are true, complete and correct copies of any employment agreements for persons listed on **Schedule 2.11**. Since July 31, 1999, there have been no increases in the compensation or benefits payable to or to become payable to, or any special bonuses, to any officer, director or employee, except ordinary salary increases implemented on a basis and in amounts consistent with past practices and amounts. Except as set forth on **Schedule 2.11**, no Seller is related by blood or marriage to, or otherwise affiliated with, any person listed on **Schedule 2.11**.

(b) Set forth on **Schedule 2.11** hereto is, as of the date hereof, a list of employees of Advantage and Styles Estates, including the title and compensation for each such employee. Each of Advantage and Styles Estates has been since its date of organization, and currently is, in compliance with all Federal, State and local Regulations and Orders affecting employment and employment practices applicable thereto, including, without limitation, those Regulations promulgated by the Equal Employment Opportunity Commission, and those relating to terms and conditions of employment and wages and hours. Except as set forth on **Schedule 2.11**, (i) neither Advantage nor Styles Estates is bound by or subject to (and none of its assets or properties is bound by or subject to) any arrangement with any labor union, (ii) no employees of Advantage and Styles Estates are represented by any labor or trade union or covered by any collective bargaining agreement, (iii) no campaign to establish such representation is in progress and (iv) there is no pending or threatened labor dispute involving Advantage or Styles Estates and any group of its employees, nor has Advantage or Styles Estates experienced any labor interruptions over the past three (3) years.

(c) **Schedule 2.11** hereto sets forth an accurate list of all of the Permits, including, without limitation, real estate, liquor, hospitality and other business licenses or permits held by any officer, director or employee of Advantage or Styles Estates and required for, or used in, the conduct of the businesses.

2.12. Absence of Changes. Since the date of the most recent Balance Sheet, both Advantage and Styles Estates have conducted their business only in the Ordinary Course of Business and there has not been (a) any Material Adverse Change; (b) any damage, destruction or loss, whether covered by insurance or not, with regard to Advantage's or Styles Estates' properties and business; (c) any payment by Advantage or Styles Estates to, or any notice to or acknowledgment by Advantage or Styles Estates of any amount due or owing to, Advantage's or Styles Estates' self-insured carrier, if any, in connection with any self-insured amounts or liabilities under health insurance covering employees of Advantage or Styles Estates, in each case, in excess of a reserve therefor on the most recent Balance Sheet and in the Interim Financial Statements; (d) any amendment or change in Advantage's or Styles Estates' authorized or issued capital stock or Charter Documents; (e) any declaration, setting aside or payment of any

dividend or distribution (whether in cash, stock or other ownership or equity interests or property) in respect of the capital stock of Advantage or Styles Estates, or any purchase, retirement, redemption or other acquisition of, or grant of any Option with respect to, the capital stock of Advantage or Styles Estates; (f) any cancellation of, or agreement to cancel any indebtedness or obligation owing to Advantage or Styles Estates; (g) any amendment, modification or termination of any existing Permits or Contracts, or entering into any new Contract or plan relating to any salary, bonus, insurance, pension, health or other employee welfare or benefit plan for or with any directors, officers, employees or consultants of Advantage or Styles Estates; (h) any entry into any material Contract not in the Ordinary Course of Business, including, without limitation, relating to any borrowing, capital expenditure or the sale or purchase of any property, rights, or assets or any options or similar agreements with respect to the foregoing; (i) any disposition by Advantage or Styles Estates of any material asset; (j) any adverse change in any contract or relationship with any customer or supplier, the sales patterns, pricing policies, accounts receivable or accounts payable relating to Advantage or Styles Estates; (k) any write-down of the value of any inventory having an aggregate value in excess of $5,000, or write-off, as uncollectible, of any notes, trade accounts or other receivables having an aggregate value in excess of $5,000; (l) any change by Advantage or Styles Estates in accounting methods or principles; or (m) any material adverse change in the cash and cash equivalents of Advantage or Styles Estates from the amounts shown on the balance sheet as of the date of the Interim Financial Statements, except for fluctuations that occur in the Ordinary Course of Business and not as a result of the Stockholder having removed any cash or cash equivalents from Advantage or Styles Estates.

2.13. Contracts.

(a) Listed by Advantage or Styles Estates on **Schedule 2.13** are all written and oral contracts, commitments and similar agreements to which Advantage or Styles Estates is a party or by which it or any of its properties are bound as of the date hereof, scheduled per subsection, as enumerated below, and, in each case, each of Advantage and Styles Estates has delivered true, complete and correct copies of the following such agreements, or narrative descriptions of such oral contracts, to the Buyers including, without limitation, the following such agreements and contracts:

(i) Contracts relating to any services provided by Advantage or Styles Estates including, without limitation, property management, real property rentals and sales, homeowners association management representation and any other contracts relating to real property services;

(ii) pension, profit sharing, bonus, retirement, stock or similar ownership option, purchase, appreciation or other plans providing for deferred or other compensation to employees or any other employee benefit plan (other than as set forth in **Schedule 2.18** hereto), or any Contract with any labor union;

(iii) Contracts relating to brokerage, consulting, independent contractor and other similar agreements for the payment of compensation, not terminable on notice of 30 days' or less by the Sellers without penalty or other financial obligation;

(iv) Contracts relating to any joint ventures, strategic alliances, partnerships and investments;

(v) Contracts containing covenants or agreements limiting the freedom of Advantage or Styles Estates or any of their respective employees to compete in any line of business presently conducted by Advantage or Styles Estates with any Person or to compete in any such line of business in any area;

(vi) Contracts with any Affiliate of Advantage or Styles Estates, the Stockholder or with any Affiliate or relative of the Stockholder;

(vii) Contracts relating to or providing for loans to officers, directors, employees or Affiliates;

(viii) Contracts under which Advantage or Styles Estates has advanced or loaned, or is obligated to advance or loan, funds to any Person;

(ix) Contracts relating to the incurrence, assumption or guarantee of any indebtedness, obligation or liability (in respect of money or funds borrowed), including, without limitation, any loan agreement, indemnity, bonds, mortgages, notes or letters of credit, or otherwise pledging, granting a security interest in or placing a Lien on any asset of Advantage or Styles Estates;

(x) Contracts relating to the guarantee or endorsement of any obligation;

(xi) Contracts under which Advantage or Styles Estates is lessee of or holds or operates any property, real or personal, owned by any other party;

(xii) Contracts pursuant to which Advantage of Styles Estates is lessor of or permits any third party to hold or operate any property, real or personal, owned or controlled by Advantage or Styles Estates;

(xiii) assignments, licenses, indemnifications and Contracts with respect to any intangible property (including, without limitation, any Intellectual Properties;

(xiv) warranty Contracts with respect to services rendered (or to be rendered);

(xv) Contracts for, or with, any telephone switch, long distance or toll-free telephone providers;

(xvi) Contracts with central reservation or resort booking systems;

(xvii) override agreements with travel agencies, other customers or suppliers;

(xviii) Contracts which prohibit, restrict or limit in any way the payment of dividends or distributions by Advantage or Styles Estates;

(xix) Contracts under which Advantage or Styles Estates has granted any Person any registration rights (including piggyback and demand rights) with respect to any securities;

(xx) Contracts for the purchase, acquisition or supply of inventory and other property and assets, whether for resale or otherwise;

(xxi) Contracts with independent agents, brokers, dealers or distributors;

(xxii) sales, commissions, advertising or marketing Contracts;

(xxiii) Contracts providing for "take or pay" or similar unconditional purchase or payment obligations;

(xxiv) Contracts with Persons with which, directly or indirectly, any Stockholder also has a Contract;

(xxv) Governmental Contracts subject to redetermination or renegotiation; or

(xxvi) any other Contract which is material to the Seller's operations or business prospects, except those which (x) were made in the Ordinary Course of Business, and (y) are terminable on thirty (30) days' or less notice by any of the Sellers party to the Contract without penalty or other financial obligation.

(b) Except as set forth on **Schedule 2.8**, no consent of any party to any Contract is required in connection with the execution, delivery or performance of this Agreement, or the consummation of the transactions contemplated hereby.

(c) Each Contract identified or required to be identified in Schedule 2.13 hereof is in full force and effect and is valid and enforceable in accordance with its terms. The Sellers have performed in all material respects all obligations required to be performed by them and are not in default in any respect under or in breach of nor in receipt of any claim of default or breach under any Contract listed on **Schedule 2.13**. No event has occurred, including the execution of this Agreement and the consummation of the transactions contemplated hereby, which with the passage of time or the giving of notice or both would result in a default, breach or event of non-compliance by any Seller or anyone else under any material Contract to which any Seller is subject (including without limitation all performance bonds, warranty obligations or otherwise). The Sellers do not have any present expectation or intention of not fully performing

all such obligations. The Sellers do not have any Knowledge of any breach or anticipated breach by the other parties to any such Contract to which it is a party.

(d) Copies of all Contracts and documents delivered and to be delivered hereunder by the Sellers are and will be true, correct and complete copies of such agreements, contracts and documents.

2.14. Real Estate and Personal Property Matters.

(a) **Schedule 2.14** hereto sets forth a description of all real property owned or leased by Advantage and Styles Estates, and by the Stockholder to the extent such real property relates to the business of Advantage or Styles Estates, in each case in the capacity of tenant, landlord or leasing agent or manager, including the location/address of the property, the purpose for which the property is used, whether it is income generating property, the amount of debt on the owned property, and the lessor, term and monthly lease payments (including percentage rent, escalation and other such contingent rental payments) with respect to leased property. **Schedule 2.14** also set forth the items of personal property currently used in the operation of Advantage and Styles Estates which the Stockholder owns personally and retains the right to remove.

(b) Each of Advantage, Styles Estates and the Stockholder has good and marketable title to all of the properties and assets owned thereby and, with respect to real property of Advantage and Styles Estates, reflected in the balance sheet as of the date of the Interim Financial Statements or acquired after the date thereof, other than properties sold or otherwise disposed of since the date thereof in the Ordinary Course of Business, free and clear of all Liens, except (i) statutory Liens not yet delinquent, (ii) such imperfections or irregularities of title, Liens, easements, charges or other encumbrances that do not detract from or interfere with the present use of the properties or assets subject thereto or affected thereby, impair present business operations at such properties; or detract from the value of such properties and assets, taken as a whole, or (iii) as reflected in the balance sheets included in Financial Statements or the notes thereto.

(c) Advantage and Styles Estates own, and will on the Closing Date and the Effective Date own, good and marketable title to all the personal property and assets, tangible or intangible, used in their respective businesses except as to those assets leased, all of which leases are in good standing and no party is in default thereunder. None of the assets belonging to or held by either Advantage or Styles Estates is or will be on the Closing Date or the Effective Date subject to any (i) Contracts of sale or lease, or (ii) Liens. Except for normal breakdowns and servicing requirements, all machinery and equipment regularly used by Advantage and Styles Estates in the conduct of their business is in good operating condition and repair, ordinary wear and tear excepted.

(d) There has not been since the date of the balance sheets included with the Interim Financial Statements, and will not be prior to the Closing Date or the Effective Date, any sale, lease, or any other disposition or distribution by Advantage and Styles Estates of any of their respective assets or properties and any other assets now or hereafter owned by them, except transactions in the Ordinary Course of Business. As of the Closing Date, all of the assets

necessary and currently used in the business of the Companies are owned or leased by the Companies and reflected on the Balance Sheets, where owned. On and after the Effective Date, the Surviving Corporations, as direct or indirect wholly-owned subsidiaries of RQI, will own, or have the unrestricted right to use, all properties and assets that are currently used in connection with Advantage's and Styles Estates' business.

2.15. Litigation. Except as set forth on **Schedule 2.15**, there is no Claim pending or, to the Knowledge of any Seller, threatened against, relating to or affecting any of the Sellers, or any of the assets or properties of Advantage and Styles Estates nor is there any Order outstanding against any of the Sellers, or any of the assets or properties of Advantage or Styles Estates.

2.16. Tax Matters.

(a) Both Advantage and Styles Estates have filed all federal, state, and local tax reports, returns, information returns and other documents (collectively, the "Tax Returns") required to be filed with any federal, state, local or other taxing authorities (each a "Taxing Authority", collectively, the "Taxing Authorities") in respect of all relevant taxes, including without limitation income, premium, gross receipts, net proceeds, alternative or add on minimum, ad valorem, value added, turnover, sales, use, property, personal property (tangible and intangible), stamp, leasing, lease, user, excise, duty, franchise, transfer, license, withholding, payroll, employment, fuel, excess profits, occupational and interest equalization, windfall profits, severance, and other charges (including interest and penalties) (collectively, the "Taxes") and in accordance with all tax sharing agreements to which any of the Sellers may be a party. All Taxes required or anticipated to be paid for all periods prior to and including the Effective Date have been paid or are adequately provided for in the Financial Statements. All Taxes which are required to be withheld or collected by Advantage or Styles Estates have been duly withheld or collected and, to the extent required, have been paid to the proper Taxing Authority or properly segregated or deposited as required by applicable laws. There are no Liens for Taxes upon any property or assets of either Advantage or Styles Estates except for Liens for Taxes not yet due and payable. No Seller has executed a waiver of the statute of limitations on the right of the Internal Revenue Service or any other Taxing Authority to assess additional Taxes or to contest the income or loss with respect to any Tax Return. The basis of any depreciable assets, and the methods used in determining allowable depreciation (including cost recovery), is correct and in compliance with the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code").

(b) No audit of Advantage or Styles Estates or Advantage's or Styles Estates' Tax Returns by any Taxing Authority is currently pending or threatened, and no issues have been raised by any Taxing Authority in connection with any Tax Returns. No material issues have been raised in any examination by any Taxing Authority with respect to Advantage or Styles Estates which reasonably could be expected to result in a proposed deficiency for any other period not so examined, and there are no unresolved issues or unpaid deficiencies relating to such examinations. The items relating to the business, properties or operations of Advantage or Styles Estates on the Tax Returns filed by or on behalf of Advantage or Styles Estates for all taxable years (including the supporting schedules filed therewith), available copies of which have been

supplied to the Buyers, state accurately the information requested with respect to Advantage and Styles Estates and such information was derived from the books and records of Advantage and Styles Estates.

(c) Advantage and Styles Estates have not made nor have become obligated to make, nor will as a result of any event connected with the Closing become obligated to make, any "excess parachute payment" as defined in Section 280G of the Code (without regard to subsection (b)(4) thereof).

(d) Each of Advantage and Styles Estates is a Subchapter S corporation and has been a Subchapter S corporation since its respective initial organization. Neither Advantage nor Styles Estates is subject to any potential Tax, or holds any asset the disposition of which could result in Tax, under Section 1374 of the Code.

2.17. Compliance with Regulations and Orders; Permits; Affiliations.

(a) Compliance. Each of Advantage and Styles Estates is presently complying with all applicable Regulations and Orders of Authorities in respect of their operations, equipment, practices, real property, plants, structures and other properties, and all other aspects of their business and operations, including, without limitation, all Regulations and Orders relating to the safe conduct of business, hazardous waste, environmental protection, handicapped access, fair housing, quality and labeling, antitrust, Taxes, consumer protection, equal opportunity, discrimination, health, sanitation, fire, zoning, building and occupational safety. There are no Claims pending, nor are there any Claims threatened, nor have any of the Sellers received any written notice, regarding any violations of, or defaults under, any Regulations and Orders enforced by any Authority claiming jurisdiction over Advantage or Styles Estates, including, without limitation, any requirement of OSHA, any pollution and environmental control agency (including air and water) or the agencies having responsibility for the Real Estate Settlement Procedures Act, the Fair Housing Act, Americans With Disabilities Act, or any similar regulations.

(b) Permits. **Schedule 2.17** hereto sets forth all of either Advantage or Styles Estates's permits, licenses, provider numbers, orders, franchises, registrations and approvals (collectively, "Permits") from all Authorities. To the Knowledge of each Seller, the Permits listed on **Schedule 2.17** are the only Permits that are required for either Advantage or Styles Estates to conduct its business as presently conducted. Each such Permit is valid and in full force and effect and no suspension or cancellation of any such Permit is threatened and there is no basis for believing that such Permit will not be renewable upon expiration.

(c) Affiliations. **Schedule 2.17** attached hereto sets forth all industry affiliations and memberships of the Sellers in any business or industry group relating to the operation of either Advantage or Styles Estates (collectively, the "Business Groups"). To the Knowledge of each Seller, none of the Sellers is in violation of any Regulation, Order, rule or requirement with respect to any such Business Group. To the Knowledge of each Seller, except as set forth on **Schedule 2.17**, no consent of any such Business Group is required for any of the Sellers to consummate the transactions contemplated by this Agreement.

2.18. ERISA and Related Matters.

(a) Benefit Plans; Obligations to Employees. Except as set forth in **Schedule 2.18** hereto, neither Advantage or Styles Estates, nor any ERISA Affiliate of Advantage or Styles Estates, is a party to or participates in or has any liability or contingent liability with respect to:

(i) any "employee welfare benefit plan" or "employee pension benefit plan" or "multi-employer plan" (as those terms are respectively defined in Sections 3(1), 3(2) and 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"));

(ii) any retirement or deferred compensation plan, incentive compensation plan, unemployment compensation plan, option plan, vacation pay, severance pay, bonus or benefit arrangement, insurance or hospitalization program or any other fringe benefit arrangements for any officer, director, employee, consultant or agent, whether pursuant to contract, arrangement, custom or informal understanding, which does not constitute an "employee benefit plan" (as defined in Section 3(3) of ERISA); or

(iii) any employment agreement not terminable on thirty (30) days' or less written notice, without further liability.

Any plan, arrangement or agreement required to be listed on **Schedule 2.18** for which any Seller or any ERISA Affiliate of any Seller may have any liability or contingent liability is sometimes hereinafter referred to as a "Benefit Plan". For purposes of this Section, the term "ERISA Affiliate" shall mean any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001(b)(1) of ERISA or under Section 414 of the Code.

(b) Plan Documents and Reports. A true, correct and complete copy of each of the Benefit Plans listed on **Schedule 2.18**, and all contracts relating thereto, or to the funding thereof, including, without limitation, all trust agreements, insurance contracts, investment management agreements, subscription and participation agreements and record keeping agreements, each as in effect on the date hereof, is attached to **Schedule 2.18**. In the case of any Benefit Plan that is not in written form, the Buyers have been supplied with an accurate description of such Benefit Plan as in effect on the date hereof. A true, correct and complete copy of (i) the three most recent annual reports and accompanying schedules; (ii) the three most recent actuarial reports; (iii) the most recent summary plan description and Internal Revenue Service determination letter with respect to each such Benefit Plan, to the extent applicable; (iv) a current schedule of assets (and the fair market value thereof assuming liquidation of any asset which is not readily tradeable) held with respect to any funded Benefit Plan; (v) all documents establishing, creating or amending any Benefit Plan; (vi) all trust agreements, funding agreements, insurance contracts and investment management agreements; (vii) all financial statements and accounting statements and reports, investment reports and actuarial reports for each of the last seven years; (viii) any and all other reports, returns, filings and material correspondence with any Governmental Authority in the last seven years; (ix) all booklets, summaries, descriptions or manuals prepared for or circulated to, and written communications of

a general nature to employees concerning any Benefit Plan; (x) all professional opinions (whether or not internally prepared) with respect to each Benefit Plan; and (vii) all material internal memoranda concerning each Benefit Plan prepared within the last seven years, has been supplied to the Buyers by the Sellers, and there have been no material changes in the financial condition in the respective Benefit Plans from that stated in the annual reports and actuarial reports supplied.

(c) Compliance with Laws; Liabilities. Except as set forth on **Schedule 2.18**, Advantage and Styles Estates are in compliance in all material respects with the terms of all of its Benefit Plans and the administration and terms of every Benefit Plan are and have been in compliance with all of the requirements and provisions of ERISA, the Code and all other Regulations and Orders applicable thereto, including without limitation the timely filing of all annual reports or other filings required with respect to such Benefit Plans. None of the assets of any Benefit Plan are invested in employer securities or employer real property, as those terms are defined in Section 407(d) of ERISA. Neither Advantage nor Styles Estates have received any claim or notice alleging that Advantage or Styles Estates is not in compliance with the terms of any Benefit Plan or that the administration and/or terms of any Benefit Plan is not in compliance with ERISA, the Code, or any other Regulations or Orders. There have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any Benefit Plan and neither Advantage or Styles Estates nor any ERISA Affiliate of Advantage or Styles Estates has otherwise engaged in any prohibited transaction. There has been no "accumulated funding deficiency" as defined in Section 302 of ERISA, nor has any reportable event as defined in Section 4043(c) of ERISA occurred with respect to any Benefit Plan. Actuarially adequate accruals for all obligations or contingent obligations under the Benefit Plans are reflected in the most recent Balance Sheet provided to the Buyers and such obligations include a pro rata amount of the contributions which would otherwise have been made in accordance with past practices for the plan years which include the Closing Date

(d) No Litigation. There is no action, claim, or demand of any kind (other than routine claims for benefits) that has been brought or, to the Knowledge of Advantage or Styles Estates, threatened, against any Benefit Plan or the assets thereof, or against any fiduciary of any such Benefit Plan.

(e) Multiemployer Plans. Neither the Companies nor any ERISA Affiliate have ever maintained, participated in, contributed to, or have any present liability under any "multiemployer plan" as defined in ERISA Section 3(37).

(f) Foreign Plans. Neither the Companies nor any ERISA Affiliate maintains or has obligations, direct, contingent or otherwise, with respect to any Benefit Plan that is subject to the laws of any country other than the United States.

(g) Title IV or Section 412. None of the plans, policies, or other arrangements maintained by the Companies or any ERISA Affiliate is or has been subject to Title IV of ERISA or Section 412 of the Code. There are no unfunded "benefit liabilities" (as defined under ERISA Section 4001(a)(16)) of the Companies or any ERISA Affiliates under ERISA.

(h) Compliance with Notice and Continuation Coverage Requirements. The Companies and ERISA Affiliates have complied in all material respects with the notice and continuation coverage requirements of Code Section 4980B.

(i) Tax Qualification. Each Benefit Plan intended to be tax qualified under Section 401(a) of the Code, if any, has been submitted to the Internal Revenue Service for a determination as to such qualification, and to the Knowledge of the Companies nothing has occurred which would prevent or cause the loss of such qualification

2.19. Intellectual Property.

(a) Except as set forth on **Schedule 2.19**, the Sellers have no trade name, service mark, patent, copyright, trademark or other Intellectual Property related to their business.

(b) The Sellers have the right to use the Intellectual Property listed in **Schedule 2.19**, and except as otherwise set forth therein, the Intellectual Property is, and will be on the Closing Date and the Effective Date, free and clear of all royalty obligations and Liens. There are no Claims pending or threatened against any of the Sellers that their use of any of the Intellectual Property listed on **Schedule 2.19** infringes the rights of any Person. The Sellers have no Knowledge of any use of any of the Intellectual Property constituting an infringement thereof and the Stockholder has no right, claim or interest in or to any of the Intellectual Property.

(c) Advantage and Styles Estates are not a party in any capacity to any franchise, license or royalty agreement respecting any of the Intellectual Property and there is no conflict with the rights of others in respect to any of the Intellectual Property now used in the conduct of their businesses.

(d) The current software applications used by the Sellers in the operation of their businesses are set forth and described on **Schedule 2.19** hereto (the "Software"). To the Knowledge of each Seller, all of the Software used by Advantage and Styles Estates complies with the necessary requirements to function efficiently after the year 2000. The Software, to the extent it is licensed from any third party licensor or it constitutes "off-the-shelf" software, is held by Advantage and Styles Estates under valid, binding and enforceable licenses and, to the Knowledge of Sellers, is fully transferable to the Buyers without any third party consent, except to the extent of transfer fees which may be imposed. Each of Advantage's and Styles Estates' computer hardware has validly licensed software installed therein. Advantage and Styles Estates have not sold, assigned, licensed, distributed or in any other way disposed of or encumbered the Software.

2.20. Environmental Matters. Except as disclosed in **Schedule 2.20**: (i) neither Advantage's or Styles Estates' business nor the operation thereof violates any applicable Environmental Law and no condition or occurrence (any accident, happening or event which occurs or has occurred at any time prior to the Closing Date, which results in or could result in a claim against the Sellers or any of the Buyers or creates or could create a liability or loss for the Sellers or any of the Buyers) exists or has occurred which, with notice or the passage of time or both, would constitute a violation of any Environmental Law; (ii) both Advantage and Styles

Estates are in possession of all Environmental Permits required under any applicable Environmental Law for the conduct or operation of the Advantage's or Styles Estates' business (or any part thereof), and each of Advantage and Styles Estates is in full compliance with all of the requirements and limitations included in such Environmental Permits; (iii) each of Advantage and Styles Estates has not stored or used any Hazardous Material on or at any property or facility now or previously owned, leased or operated by the Sellers except for inventories of chemicals which are used or to be used in the Ordinary Course of Business (which inventories have been sorted or used in accordance with all applicable Environmental Permits and all Environmental Laws, including all so called "Right to Know" laws); (iv) neither Advantage or Styles Estates has received any notice from any Authority or other Person that their business or the operation of any of their facilities is in violation of any Environmental Law or any Environmental Permit or that they are responsible (or potentially responsible) for the cleanup of any Hazardous Materials at, on or beneath any property or facility now or previously owned, leased or operated by Advantage or Styles Estates, or at, on or beneath any land adjacent thereto or in connection with any waste or contamination site; (v) neither Advantage nor Styles Estates is the subject of any Claim by any Authority or other Person involving a demand for damages or other potential liability with respect to a violation of Environmental Laws or under any common law theories relating to operations or the condition of any facilities or property (including underlying groundwater) owned, leased, or operated by Advantage or Styles Estates; (vi) neither Advantage nor Styles Estates has buried, dumped, disposed, spilled or released any Hazardous Materials on, beneath or adjacent to any property or facility now or previously owned, leased or operated by Advantage or Styles Estates or any property adjacent thereto; (vii) no property or facility now or previously owned, leased or operated by Advantage or Styles Estates, is listed or proposed for listing on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any other federal or state list of sites requiring investigation or clean-up; (viii) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any property or facility now or previously owned, leased or operated by Advantage or Styles Estates; (ix) neither Advantage nor Styles Estates has directly transported or directly arranged for the transportation of any Hazardous Materials to any location which is listed or proposed for listing on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any federal or state list or which is the subject of any enforcement action or other investigation by any Authority which may lead to material Claims against Advantage or Styles Estates for any remedial work, damage to natural resources or personal injury, including Claims under CERCLA; and (x) there are no polychlorinated biphenyls, radioactive materials or friable asbestos present at any property or facility now or previously owned or leased by Advantage or Styles Estates. Each of Advantage and Styles Estates has timely filed all reports required to be filed with respect to all of its property and facilities and has generated and maintained all required data, documentation and records under all applicable Environmental Laws.

2.21. Banking Arrangements. **Schedule 2.21** attached hereto sets forth the name of each bank in or with which Advantage or Styles Estates has an account, credit line or safety deposit box, and a brief description of each such account, credit line or safety deposit box, including the names of all Persons currently authorized to draw thereon or having access thereto. Except as may be disclosed in the Financial Statements or on **Schedule 2.21** hereto, Advantage and Styles Estates have no liability or obligation relating to funds or money borrowed by or

loaned to Advantage or Styles Estates (whether under any credit facility, line of credit, loan, indenture, advance, pledge or otherwise).

2.22. Insurance. **Schedule 2.22** attached hereto sets forth a list and brief description, including dollar amounts of coverage, annual premium amounts and premiums paid for the current year, of all policies of property, fire, liability, business interruption, workers' compensation and other forms of insurance held by Advantage or Styles Estates as of the date hereof, as well as a schedule of Claims filed with Advantage's or Styles Estates' current insurance carrier, including a history of such Claims and a description and estimated dollar amount of any unresolved Claims. Such policies are valid, outstanding and enforceable policies, as to which premiums have been paid currently. Except as disclosed on **Schedule 2.15**, none of the Sellers know of any state of facts, or of the occurrence of any event which might reasonably (a) form the basis for any claim against Advantage or Styles Estates not fully covered by insurance for liability on account of any express or implied warranty or tortious omission or commission, or (b) result in material increase in insurance premiums of Advantage or Styles Estates.

2.23. Inventories. The inventories, if any, reflected on the balance sheets included in the Financial Statements, and the inventories held by Advantage or Styles Estates on the date hereof, (i) consist of a quality and quantity usable and salable in the Ordinary Course of Business of each of Advantage and Styles Estates, except as reserved in the Financial Statements, and (ii) have been reflected on such balance sheets at the lower of cost or market value (taking into account the usability or salability thereof). All such inventories are owned free and clear and are not subject to any Lien except to the extent reserved against or reflected in the Financial Statements, in this Agreement or the Schedules attached hereto. Neither Advantage nor Styles Estates is aware of any Material Adverse Changes affecting the supply of inventory available to each of Advantage and Styles Estates, and the consummation of the transactions contemplated hereby will not adversely affect any such supply.

2.24. Brokerage. No Seller has employed any broker, finder, advisor, consultant or other intermediary in connection with this Agreement or the transactions contemplated by this Agreement who is or might be entitled to any fee, commission or other compensation from Advantage or Styles Estates or the Stockholder, or from the Buyers or any of their respective Affiliates, upon or as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby.

2.25. Improper and Other Payments. Except as set forth on **Schedule 2.25** hereto, (a) neither Advantage, Styles Estates nor any director, officer or employee thereof, nor to Stockholder's Knowledge, any agent or representative of either Advantage or Styles Estates, nor any Person acting on behalf of any of them, (i) has made, paid or received any contribution, gift, bribe, rebate, payoff, influence payment, kickbacks or other similar payments to or from any Person or Authority, whether in money, property or services (1) to obtain favorable treatment in securing business; (2) to pay for favorable treatment for business secured; (3) to obtain special concessions or for special concessions already obtained or (4) in violation of any Regulation or Order, or (ii) established or maintained a fund or asset that has not been recorded on the books

and records of either Advantage or Styles Estates, (b) no contributions have been made, directly or indirectly, to a domestic or foreign political party or candidate, (c) no improper foreign payment (as defined in the Foreign Corrupt Practices Act) has been made, and (d) the internal accounting controls of each of Advantage and Styles Estates are believed by each of Advantage's and Styles Estates' management to be adequate to detect any of the foregoing under current circumstances.

2.26. Financial Condition as of Effective Date and Closing Date. Each of Advantage and Styles Estates has, and as of the Effective Date and the Closing Date will have, as calculated and fairly presented in accordance with GAAP, (i) a positive cash balance on a book basis and bank balance basis net of any and all outstanding checks or drafts; and (ii) fully funded all Deposits in cash or cash equivalents which are segregated in separately identified bank accounts and not commingled with any funds of either Advantage or Styles Estates, respectively; provided, however, that none of the foregoing provisions shall be construed to authorize or permit any transfer or distribution of any property or money by Advantage or Styles Estates which would be prohibited, conditioned or limited by another provision of this Agreement.

2.27. Disclosure. Neither this Agreement nor any of the exhibits, attachments, written statements, documents, certificates or other items prepared for or supplied to the Buyers by or on behalf of the Sellers with respect to the transactions contemplated hereby contains any untrue statement of a material fact or omits a material fact necessary to make each statement contained herein or therein not misleading.

2.28. Significant Customers and Suppliers; Material Plans and Commitments. Set forth on **Schedule 2.28** hereto is an accurate list of the customers and suppliers of each of Advantage or Styles Estates, representing five percent (5%) or more of Advantage's or Styles Estates' annual revenues as of the Balance Sheet Date and the date of the Interim Financial Statements. Except to the extent set forth on **Schedule 2.28**, none of Advantage's or Styles Estates' significant customers (or persons or entities that are sources of a significant number of customers) have canceled or substantially reduced or, to the Knowledge of any of the Sellers, are currently attempting or threatening to cancel a contract or substantially reduce utilization of the services provided by either Advantage or Styles Estates respectively, nor has any such customer or supplier given any of the Sellers notice that it is subject to any bankruptcy, insolvency or similar proceeding and, to any Seller's Knowledge, no such proceeding by any other party is pending or threatened nor has any act or omission occurred that makes such proceeding likely. Each of Advantage and Styles Estates has also set forth on **Schedule 2.28** a summary description of all plans or projects involving the opening of new operations, expansion of existing operations, the acquisition of any personal property, business or assets requiring, in any event, the payments individually, or in the aggregate, of more than $25,000 by either Advantage or Styles Estates, respectively.

2.29. Year 2000 Compliance.

(a) The Sellers have reviewed the areas within the business and operations of Advantage and Style Estates which could be adversely affected by the Year 2000 Problem and

have developed a program to achieve Year 2000 Compliance as recommended by their advisors and described in the letter identified in **Schedule 2.29**. Advantage and Styles Estates have made limited inquiries as to the Year 2000 Compliance of their material suppliers, service providers, franchisors and vendors, and none of the Sellers has received notice of any inability on the part of such entities to achieve Year 2000 Compliance in a timely manner. Based on such review and program, Advantage and Styles Estates believe that the Year 2000 Problem, including costs of remediation, will not have a Material Adverse Effect with respect to Advantage or Style Estates. Except for any reprogramming or any necessary computer equipment purchases described in the **Schedule 2.29**, the computer systems of Advantage and Styles Estates are and, with upgrading and maintenance in the ordinary course of business, will continue for a period of two years after the date of this Agreement to be, sufficient for the conduct of their business as currently conducted.

2.30. Form of Management Agreement.

Attached as **Exhibit J** hereto are forms of the owner services agreement, and the property management agreements used by each of Advantage and Styles Estates in their business.

2.31. Managed Properties.

Set forth on **Schedule 2.31** hereto is a true, complete and accurate list of all managed properties for which either Advantage or Styles Estates currently provides Services.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE BUYERS

Each of the Buyers represents and warrants to the Sellers as follows:

3.1. Corporate Organization, Etc. Each of the Buyers is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation with full corporate power and authority to carry on its business as it is now being conducted and to own, operate and lease its properties and assets.

3.2. Authorization, Etc. Each of the Buyers has full corporate power and authority to enter into this Agreement and the Ancillary Documents to which it is a party and to carry out the transactions contemplated hereby and thereby. The Board of Directors of each Buyer or the appropriate Committee thereof has or, prior to Closing will have, duly authorized the execution, delivery and performance of this Agreement, the Ancillary Documents to which it is a party and the transactions contemplated hereby and thereby, and no other corporate proceedings on its part are necessary to authorize this Agreement, such Ancillary Documents and the transactions contemplated hereby and thereby. Upon execution and delivery of this Agreement and the Ancillary Documents by the parties hereto and thereto, this Agreement and the Ancillary Documents to which each Buyer is a party shall constitute the legal, valid and binding obligation of such Buyer, enforceable against such Buyer in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other

similar laws affecting the enforcement of creditors rights generally and by general equitable principles.

3.3. No Violation. The execution, delivery and performance by each of the Buyers of this Agreement and the Ancillary Documents to which it is a party, and the fulfillment of and compliance with the respective terms hereof and thereof by such Buyer, do not and will not (a) conflict with or result in a material breach of the terms, conditions or provisions of, (b) result in a violation of, or (c) require any authorization, consent, approval, exemption or other action by or notice to any Authority pursuant to, the certificate of incorporation or by-laws of such Buyer, or any Regulation to which such Buyer is subject, or any material Contract or Order to which such Buyer or its properties are subject. Each of the Buyers will comply with all applicable Regulations and Orders in connection with its execution, delivery and performance of this Agreement and the transactions contemplated hereby.

3.4. Governmental Authorities. Each of the Buyers has complied in all material respects with all applicable Regulations in connection with its execution, delivery and performance of this Agreement, the Ancillary Documents to which it is a party and the transactions contemplated hereby and thereby. Neither of the Buyers is required to submit any notice, report, or other filing with any governmental authority in connection with its execution or delivery of this Agreement, the Ancillary Documents to which it is a party or the consummation of the transactions contemplated hereby and thereby. No authorization, consent, approval, exemption or notice is required to be obtained by either Buyer in connection with the execution, delivery, and performance of this Agreement, the Ancillary Documents to which it is a party and the transactions contemplated hereby and thereby.

3.5. Disclosure. Neither this Agreement or any of the Ancillary Documents to which it is a party nor any scheduled exhibits, attachments, written statements, documents, certificates or other items prepared for or supplied to the Sellers by the Buyers with respect to the transactions contemplated hereby contains any untrue statement of a material fact or omits a material fact necessary to make each statement contained herein or therein not misleading.

3.6. Shelf Registration of RQI Stock. The RQI Stock issuable to the Stockholder pursuant to this Agreement shall be issued pursuant to an effective shelf registration statement filed by RQI with the Securities and Exchange Commission.

ARTICLE IV
COVENANTS OF THE SELLERS

Until the later of the Effective Date or the Closing Date, except as otherwise consented to or approved by the Buyers in advance in writing, Advantage and Styles Estates shall, and the Stockholder shall, and shall cause each of Advantage and Styles Estates to:

4.1. Ordinary Course of Business. Operate its business diligently and in good faith and in the Ordinary Course of Business, including, without limitation, (i) maintaining all of its respective properties in good order and condition; (ii) maintaining (except for expiration due to lapse of time) all Contracts in effect without change except as expressly provided herein;

(iii) complying with the provisions of all Regulations and Orders applicable to it and the conduct of its respective business; (iv) maintaining insurance and reinsurance coverage as in effect on the date hereof up to the Closing Date; (v) preserving the business of Advantage and Styles Estates, respectively, intact; (vi) using its best efforts to keep available for Advantage and Styles Estates and the Buyers, the services of the officers and employees of Advantage and Styles Estates; and (vii) preserving the good will of clients, suppliers and others having business relations with either Advantage or Styles Estates respectively.

4.2. Certain Restrictions. Refrain from: (i) changing or amending the Charter Documents of either Advantage or Styles Estates; (ii) merging with or into or consolidating with any other Person; (iii) acquiring all or substantially all of the stock or the assets of any Person or changing the character of its business; (iv) issuing or selling any share of its capital stock of either Advantage and Styles Estates or any Options or securities convertible into any share of its capital stock of Advantage and Style Estates; (v) permitting any liens upon, pledging or otherwise encumbering any capital stock or any assets or properties of Advantage or Styles Estates; (vi) declaring, paying or setting aside for payment any dividend or other distribution to the Stockholder, in respect of capital stock of Advantage or Styles Estates or otherwise; (vii) directly or indirectly, redeeming, retiring, purchasing or otherwise acquiring any shares of its capital stock or any of its indebtedness for money borrowed in advance of any scheduled repayment date; (viii) making any capital expenditures, or commitments with respect thereto in excess of $5,000; (ix) incurring, assuming or guaranteeing any indebtedness, obligations or liabilities or entering into any transactions or making any commitment to do any of the foregoing except in the Ordinary Course of Business or for purposes of consummation of the transactions contemplated by this Agreement and in any case only after consultation with the Buyers; (x) canceling, releasing, waiving or compromising any debt, Claim or right in Sellers' favor; (xi) altering the rate or basis of compensation of any of Sellers' officers, directors, employees or consultants; and (xii) taking any action or failing to take any action as a result of which any of the other changes or events listed in **Section 2.12** hereof is likely to occur.

4.3. Cash and Cash Equivalents. Preserve, and expend solely in the Ordinary Course of Business, the cash and cash equivalents.

4.4. Interim Financial Information. To the extent prepared in the Ordinary Course of Business, furnish to the Buyers unaudited financial statements (including, without limitation, balance sheets and statements of income, changes in stockholders' equity and cash flow) and information for each calendar month, promptly following the conclusion of such month, and as the Buyers may otherwise reasonably request.

4.5. Full Access and Disclosure.

(a) Afford to the Buyers' and their counsel, accountants and other authorized representatives reasonable access during business hours to Advantage's or Styles Estates' facilities, properties, books and records in order that the Buyers may have full opportunity to make such reasonable investigations as it shall desire to make of the affairs of Advantage and Styles Estates, respectively, including financial audits; and the Stockholders shall cause

Advantage's and Styles Estates' employees and auditors to furnish on a timely basis such additional financial and operating data and other information as the Buyers shall from time to time reasonably request including, without limitation, any internal control recommendations applicable to either Advantage or Styles Estates made by their respective independent auditors in connection with any examination of Advantage's or Styles Estates' Financial Statements and books and records.

(b) Promptly notify the Buyers in writing if any Seller becomes aware of any fact or condition that causes or constitutes a breach of any representation or warranty of any Seller as of the date of this Agreement, or if such Seller becomes aware of the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. Should any such fact or condition require any change in any schedule hereto, Sellers will promptly deliver to the Buyers a proposed amendment or supplement to such schedule specifying such change. No such proposed amendment or supplement to a schedule shall constitute an amendment or supplement to such schedule until the Buyers shall have consented thereto. Each Seller will promptly notify the Buyers of the occurrence of any breach of any covenant of Sellers in this **Article 4** or **Article 6** or of the occurrence of any event that may make the satisfaction of the conditions in **Article 7** impossible or unlikely.

4.6. Fulfillment of Conditions Precedent. Refrain from taking any action which, if taken on or prior to the Closing Date, would constitute a breach of this Agreement. The Sellers shall use their best efforts to obtain at their expense, on or prior to the Closing Date, all such waivers, Permits, consents, approvals or other authorizations from third parties and Authorities, and to do all things as may be necessary or desirable in connection with the transactions contemplated by this Agreement in order to fully and expeditiously consummate the transactions contemplated by this Agreement.

4.7. Tax Returns. File all Tax Returns and reports with respect to Taxes which are required to be filed for Tax periods ending on or before the Effective Date (a "Pre-Closing Tax Return"), and the Stockholder shall pay all income Taxes due in respect of such Pre-Closing Tax Returns to the appropriate Taxing Authority.

4.8. No Solicitation or Negotiation. Refrain from, and cause their directors, officers, employees, representatives, agents, advisors, accountants and attorneys to refrain from, initiating, soliciting or encouraging, directly or indirectly, any inquiries or the making of any proposal with respect to, or engage in negotiations concerning, or provide any confidential information or data to any Person with respect to, or have any discussions with any Persons relating to, any acquisition, business combination or purchase of all or any significant asset of, or any equity interest in, either Advantage or Styles Estates, or otherwise facilitate any effort or attempt to do or seek any of the foregoing, and shall immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. Should any Seller be contacted with respect to any offer, inquiry or proposal,

the Sellers shall immediately advise the Buyers in writing of the name, address and phone number of the contact and the nature of the inquiry.

4.9. Public Announcements. Refrain from disclosing any of the terms of this Agreement to any third party (other than the Buyers' advisors and senior lending group and the Sellers' advisors) without the other party's prior written consent unless required by any applicable law. The form, content and timing of any and all press releases, public announcements or publicity statements (except for any disclosures under or pursuant to Federal or State securities laws in connection with the registration of RQI's securities or otherwise) with respect to this Agreement or the transactions contemplated hereby shall be subject to the prior approval of the Buyers.

4.10. Termination of Agreements. Terminate or cause to be terminated, on or prior to the Closing Date, (i) the Agreements set forth in **Section 7.12** hereof, and (ii) any existing agreement between either Advantage and Styles Estates and the Stockholder not reflecting fair market terms, except such existing agreements as are set forth on **Schedule 4.10**.

ARTICLE V
COVENANTS OF THE BUYERS

Each of the Buyers hereby covenants and agrees with the Sellers that prior to the Closing or the termination of this Agreement and, with respect to the covenants contained in Section 5.3, thereafter:

5.1. Full Access and Disclosure.

(a) The Buyers shall afford to each Seller, and their counsel, accountants and other authorized representatives an opportunity to make such reasonable investigations as they shall desire to make of the business of the Buyers; and the Buyers shall cause their officers, employees and auditors to furnish such additional financial and operating data and other information as the Sellers shall from time to time reasonably request.

(b) From time to time prior to the Closing Date, the Buyers shall promptly supplement or amend information previously delivered to the Sellers with respect to any matter hereafter arising which, if existing or occurring at the date of this Agreement, would have been required to be set forth herein or disclosed.

5.2. Rule 145 Best Efforts. While RQI is a reporting company with its securities registered under the Securities Exchange Act of 1934 (the "Exchange Act"), and listed or quoted for trading by a national securities exchange or inter-dealer quotation system, RQI will use commercially reasonable efforts to see that it is in compliance with the requirements of Rule 144 under the Securities Act applicable to the issuer of securities, so as to facilitate non-registered sales of RQI Stock by Stockholder consistent with the requirements and limitations of Rule 145. Nothing in this **Section 5.2** shall be deemed as either (i) any representation or warranty that RQI will remain a public company with securities registered under the Exchange Act, or (ii) any covenant or agreement by RQI to register, under the Securities Laws or otherwise, any RQI

securities issued to, or held by, Stockholder. RQI agrees that all stock issued to stockholder hereunder shall be registered stock at the time it is issued to Stockholder subject only to the requirements of Rule 145 and the Affiliate Agreement.

5.3. Public Announcements. Prior to making any public announcement with respect to this Agreement or the transactions contemplated hereby, the Buyers will provide any press release, public announcement or publicity statement (except for any disclosures under or pursuant to Federal or State securities laws) to the Stockholder for her review.

ARTICLE VI
OTHER AGREEMENTS

6.1. Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto shall use its best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Regulations to consummate and make effective the transactions contemplated by this Agreement. If at any time after the Closing Date the Buyers, on the one hand, or the Stockholder, on the other hand, shall consider or be advised that any further agreements, instruments, documents, deeds, papers, assignments or assurances in law or in any other things are necessary, desirable or proper to vest, perfect or confirm, of record or otherwise, in such party, the title to any property or rights of the other acquired or to be acquired by reason of, or as a result of, this Agreement or any of the transactions contemplated herein, each party agrees that it shall execute and deliver all such proper agreements, instruments, documents, deeds, papers, assignments and assurances in law and do all things necessary, desirable or proper to vest, perfect or confirm title to such property or rights in such party and otherwise to carry out the purpose of this Agreement.

6.2. Consents. Without limiting the generality of **Section 6.1**, each of the parties hereto shall use its best efforts to obtain all approvals, consents and Permits of all Persons and Authorities necessary, proper or advisable in connection with the consummation of the transactions contemplated by this Agreement prior to the Closing Date.

6.3. No Termination of the Stockholder's Obligations by Subsequent Incapacity, Etc..

The Stockholder specifically agrees that her respective obligations hereunder, including, without limitation, obligations pursuant to **Article 11** shall not be terminated by her death or incapacity.

6.4. Confidentiality. The Buyers, on the one hand, and each Seller, on the other hand, shall, and each shall cause its principals, officers and other personnel and authorized representatives to, hold in confidence, and not disclose to any other Person without the other party's prior consent, all written and oral information furnished or disclosed by or received from such party or its officers, directors, employees, agents, counsel and auditors in connection with the transactions contemplated hereby except as may be required by applicable law or as otherwise contemplated herein.

6.5. Non-Competition Covenant.

(a) The Stockholder acknowledges that (i) this Agreement includes certain consideration in respect of the goodwill associated with the operation of the Restricted Businesses by the Sellers, (ii) the covenants of the Stockholder contained in this **Section 6.5** are a material inducement to the Buyers to enter into this Agreement, (iii) the Buyers and each of their respective Affiliates including the Surviving Corporations (each a "Buyer Entity" and collectively, the "Buyer Entities") has expended and will expend considerable time, effort and capital to develop the Restricted Businesses and (iv) the Buyers and each of the other Buyer Entities has a legitimate business interest in protecting its investment in the Restricted Businesses and would be irreparably damaged if the Stockholder were to breach the covenants set forth in this **Section 6.5.** Accordingly, the Stockholder agrees that the covenants set forth in this **Section 6.5**, (i) are separate and independent covenants for which valuable consideration has been paid, the receipt, adequacy and sufficiency of which are acknowledged by the Stockholder, (ii) are cumulative to all other covenants of the Stockholders in favor of the Buyers and the other Buyer Entities contained in this Agreement and shall survive the termination of this Agreement for the purposes intended, (iii) are reasonable and necessary to protect and preserve the conduct and operation of the Restricted Businesses by the Buyers and the other Buyer Entities, and (iv) do not impose an undue hardship upon any Stockholder, do not unreasonably restrict the Stockholder with respect to or from the performance of services of, relating to or connected with the Restricted Businesses, the management thereof or otherwise, and are reasonable with respect to their duration, geographical area and scope.

(b) The Stockholder covenants and agrees that, during the Restricted Period, she shall not, directly or indirectly, either individually, in partnership, jointly or in conjunction with any other Person, whether as principal, agent, officer, director, shareholder, owner, partner, joint venturer, member, manager, employee, independent contractor, consultant, advisor, sales representative or any other capacity whatsoever:

(i) engage in any Restricted Business within the Restricted Territory;

(ii) solicit, interfere with, disturb, or seek to interfere with or disturb the relationship with (contractual or otherwise) any Person who is an employee of, or engaged as an independent contractor, consultant or in any similar capacity whatsoever with, any Buyer Entity for the purpose or with the intent of inducing or enticing such Person to terminate such relationship with such Buyer Entity;

(iii) employ or otherwise engage as an employee, independent contractor, consultant or any capacity whatsoever, any Person who is, at that time, or who has been within one (1) year prior to that time, employed by any Buyer Entity;

(iv) solicit, interfere with, disturb, or seek to interfere with or disturb the relationship with (contractual or otherwise) any Person which is, at that time, or which has been within one (1) year prior to that time, a customer or supplier of any Buyer Entity for the purpose of soliciting or selling products or services in competition with any Buyer Entity or inducing such Person to cease doing business with any Buyer Entity; or

(v) solicit, interfere with, disturb, or seek to interfere with or disturb the relationship with (contractual or otherwise) any prospective acquisition candidate, on any Stockholder's own behalf or on behalf of any competitor or potential competitor, which candidate was, to the Stockholder's Knowledge, either called upon by any Buyer Entity or for which any Buyer Entity made an acquisition analysis, for the purpose of acquiring such entity.

Notwithstanding the above, the foregoing covenant shall not be deemed to prohibit the Stockholder from (i) acquiring as an investment not more than two percent (2%) of the capital stock of a competing business, whose stock is traded on a national securities exchange or over-the-counter and (ii) subject to Section 6.7, engaging in the Timeshare Business.

(c) In recognition of the substantial nature of such potential damages and the difficulty of measuring economic losses to any Buyer Entity as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that could be caused to any such Buyer Entity for which it would have no other adequate remedy, the Stockholder agrees that in the event of breach by the Stockholder of the foregoing covenant, such Buyer Entity shall be entitled to specific performance of this provision and co-injunctive and other equitable relief, and that Stockholder will be responsible for the payment of court costs and reasonable attorneys' fees incurred by such Buyer Entity in seeking enforcement of the covenants set forth in this **Section 6.5**.

(d) The covenants in this **Section 6.5** are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court deems reasonable, and the Agreement shall be reformed in accordance therewith.

(e) All of the covenants in this **Section 6.5** shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of the Stockholder against any Buyer Entity, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by any Buyer Entity of such covenants. Further, this **Section 6.5** shall survive the Closing and the termination of Stockholder's employment with a Buyer Entity. It is specifically agreed that the Restricted Period, during which the agreements and covenants of the Stockholder made in this **Section 6.5** shall be effective, shall be computed by excluding from such computation any time during which the Stockholder is in violation of any provision of this **Section 6.5.**

6.6. Non-disclosure; Confidentiality.

(a) Confidential Information. By virtue of the Stockholder's employment, association or involvement with Advantage and Styles Estates and any due diligence with respect to the Buyer Entities, the Stockholder has obtained and may obtain confidential or proprietary information developed, or to be developed, by Advantage and Styles Estates and a Buyer Entity. "Confidential Information" means all proprietary or business sensitive information, whether in

oral, written, graphic, machine-readable or tangible form, and whether or not registered, and including all notes, plans, records, documents and other evidence thereof, including but not limited to all: patents, patent applications, copyrights, trademarks, trade names, service marks, service names, "know-how," customer lists, details of client or consulting contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, procurement and sales activities, promotion and pricing techniques, credit and financial data concerning customers, business acquisition plans or any portion or phase of any scientific or technical information, discoveries, computer software or programs used or developed in whole or in part by Advantage, Styles Estates or any Buyer Entity (including source or object codes), processes, procedures, formulas or improvements of the Company or any Buyer Entity; algorithms; computer processing systems and techniques; price lists; customer lists; procedures; improvements, concepts and ideas; business plans and proposals; technical plans and proposals; research and development; budgets and projections; technical memoranda, research reports, designs and specifications; new product and service developments; comparative analyses of competitive products, services and operating procedures; and other information, data and documents now existing or later acquired by the Company or any Buyer Entity, regardless of whether any of such information, data or documents qualify as a "trade secret" under applicable Federal or State law. "Confidential Information" shall not include (a) any information which becomes generally available to the public other than as a result of disclosure by the Stockholders or any relative, agent or representative thereof; (b) becomes available to the Stockholders on a non-confidential basis from a source other than the Company or any Buyer Entity or any of its respective employees, agents or representatives, provided that such source lawfully obtained such information and is not bound by a confidentiality agreement with the Company or any Buyer Entity; or (c) is required to be disclosed by law (including, without limitation, any judicial or administrative proceeding of any governmental or regulatory authority) provided, that if any Stockholder is required by law to disclose any of the Confidential Information, such Stockholder shall provide the Buyers with prompt written notice of any such requirement and shall cooperate in full with the Buyers to obtain a protective order or to pursue an action to obtain a waiver from such requirement. If, in the absence of a protective order or other remedy, such Stockholder is nonetheless, in the written opinion of the Stockholder's outside counsel, legally compelled to disclose Confidential Information, such Stockholder may, without liability hereunder disclose the Confidential Information, provided that (i) the Stockholder gives the Buyers prior written notice of the information to be disclosed, (ii) the Stockholder only discloses that portion of the Confidential Information which the Stockholder's counsel advises is legally required to be disclosed, and (iii) the Stockholder uses his or her best efforts to preserve the confidentiality thereof by obtaining reasonable assurance that confidential treatment will be accorded the Confidential Information.

(b) Non-Disclosure. The Stockholder agrees that she will not at any time, without the prior express written authorization of the Buyers, disclose to any Person or use any Confidential Information whatsoever for any purpose whatsoever, or permit any Person whatsoever to examine and/or make copies of any reports or any documents or software (whether in written form or stored on magnetic, optical or other mass storage media) which contain or are derived from any Confidential Information. The Stockholder further agrees that no Confidential

Information shall be removed from the premises of either Advantage or Styles Estates or any Buyer Entity, without the prior express written consent of such entity.

(c) Buyer Group Property. As used in this Agreement, the term "Buyer Group Property" means all documents, papers, computer printouts and disks, records, customer or customer lists, files, manuals, supplies, computer hardware and software, equipment, inventory and other materials that have been created, used or obtained by either Advantage or Styles Estates or any Buyer Entity, or otherwise belonging to Advantage, Styles Estates or any Buyer Entity, as well as any other materials containing Confidential Information as defined above. The Sellers recognize and agree that:

(i) All Buyer Group Property shall be and remain the property of the Buyer Entity to which such property belongs;

(ii) The Sellers will preserve, use and hold Buyer Group Property only for the benefit of the Buyers and each of the Buyer Entities to carry out the business of the Buyers and each of the Buyer Entities; and

(iii) Except as to those Sellers employed by a Buyer Entity after the Closings and subject to a confidentiality agreement with such entity, each Seller will immediately deliver and surrender to RQI all Buyer Group Property, including all copies, extracts or any other types of reproductions, which such Seller has in his possession or control.

6.7. Timeshare Business. The Stockholder covenants and agrees that, from and after the Effective Time of the Mergers, (i) none of the assets, employees, facilities or other resources of the Surviving Corporations shall be used in any way in connection with the ownership and operation of the Stockholders' Timeshare Business, except as expressly agreed to by RQI, (ii) to the extent the Stockholder in good faith, has the power and authority to cause the Timeshare Business to permit the Surviving Corporations to provide rental or management services with respect to portions of timeshares that are not used by the owners of timeshares, such opportunities will be directed to the Surviving Corporations for their benefit.

6.8. Certain Tax Matters.

(a) Tax Character and Reporting of Merger. The parties (i) acknowledge that the AVH Merger will be treated for federal income tax purposes as a sale of assets by Advantage to AVH Merger Sub followed by the complete liquidation of Advantage and agree to report the AVH Merger as such on all applicable Tax Returns and (ii) acknowledge that the execution of this Agreement by the Sellers is intended to constitute the adoption of a plan of complete liquidation for Advantage for federal income tax purposes. Advantage and AVH Merger Sub shall timely file all requisite reporting forms as may be required, including IRS Form 8594, and the parties hereto consent to the allocation of the purchase price (consisting of the Merger Consideration attributable to the AVH Merger plus the accrued liabilities of Advantage assumed by AVH Merger Sub in the AVH Merger) among the assets in the manner set forth on **Exhibit 6.8**. This allocation is intended to comply with the allocation method required by Section 1060

of the Code. The parties shall cooperate to comply with all substantive and procedural requirements of Section 1060 and the regulations thereunder, and except for any adjustment necessary to reflect the determinations of the Adjusted Merger Consideration and the Contingent Merger Consideration, the allocation shall be adjusted only if and to the extent necessary to comply with such requirements. The parties agree to allocate 70% of any Contingent Merger Consideration to the AVH Merger and 30% of any Contingent Merger Consideration to the SEL Merger. The Buyers and the Stockholder agree that they will not take nor will they permit any affiliated person to take, for income tax purposes, any position inconsistent with such allocation; *provided, however,* that AVH Merger Sub's cost for the assets may differ from the total amount allocated hereunder to reflect the inclusion in the total cost of items (for example, capitalized acquisition costs) not included in the total amount so allocated.

(b) Final Income Tax Returns of the Companies. The Stockholder shall be responsible for and shall cause to be prepared and filed all federal, state, and local income Tax Returns of the Companies with respect to their short tax years 1999 ending at the Effective Time and any prior tax year. The Buyers shall cooperate to the extent reasonably required (including without limitation, providing such information as the Stockholder may reasonably request) to facilitate the preparation and timely filing of such Tax Returns.

(c) Transfer Taxes and Fees. The Stockholder shall pay all transfer, sales, recording, and similar Taxes arising in connection with the transactions contemplated hereunder, whether such Taxes are imposed on the Sellers or the Buyers, (but only to the extent provided in (d) below) and shall provide proof of such payment to the Buyers within a reasonable time after payment. The Surviving Corporations shall pay such Taxes, up to an aggregate of Fifty Thousand and no/100ths Dollars ($50,000.00), as provided in (d). The parties shall cooperate to comply with all Tax Return requirements for such Taxes and shall provide such documentation and take such other actions as may be necessary to minimize the amount of any such Taxes.

(d) Sales Taxes and Additional Income Taxes on Stockholder. In the event that as a result of the Buyer treating the Advantage transaction as an asset sale causes either (i) sales taxes are imposed on Advantage which the Stockholder is required to pay and would not have been imposed if the transaction were classified as a stock sale; or (ii) the Stockholder incurs additional personal income taxes in excess of the amount of such income taxes which would have been payable for tax year 1999 had the transaction been treated as a stock sale, then the Surviving Corporations agree to reimburse the Stockholder, immediately upon demand for the first Fifty Thousand and no/100ths Dollars ($50,000.00) of such additional taxes paid by the Stockholder under either (i) or (ii), in the aggregate. Any such reimbursement by the Surviving Corporations shall be classified as an expense and not as taxes for purposes of calculating EBIT.

(e) Sales Taxes on Certain Services Provided Post Closing. To the extent the Buyers determine in good faith that sales taxes are required to be charged for any services provided by the Surviving Corporations, the Buyers shall have the right to cause the Surviving Corporations to comply with such requirements after the Closing.

6.9. Offset. The Stockholder acknowledges and agrees that the Buyers, in addition to all other remedies available to the Buyers hereunder and pursuant hereto, shall have the right to offset (i) any amounts owed by the Stockholder to the Buyers hereunder or pursuant hereto, and (ii), including all unpaid amounts under the Note and the Deficiency Amount which remain unpaid as of the first anniversary of the Closing Date against any and all amounts owed by the Buyers to the Stockholder hereunder, including but not limited to, the Contingent Cash Consideration, the Post Closing Stock Consideration and amounts due to the Stockholder under the Employment Agreement. In the event RQI elects to offset any such amounts against the Post Closing Stock Consideration, the value per share of the RQI Stock, for purposes of the offset, shall be the Average Price as of the date of offset. As collateral security for the prompt and complete payment and performance when due of all of the obligations of the Stockholder to the Buyers hereunder, the Stockholder hereby sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to RQI, for the ratable benefit of the Buyers, and hereby grants to RQI, for the ratable benefit of the Buyers, a security interest in and lien on the Post Closing Stock Consideration, the Contingent Merger Consideration and the Contingent Cash Consideration together with all of the Stockholder's rights to receive such amounts hereunder.

6.10. Affiliated Party Receivables.

(a) Prior to the Effective time, Sellers will take all action necessary to transfer to the Stockholder the assets described and reflected in the following balance sheet accounts (the account numbers below relate to the account numbers on the balance sheets of the Companies as of July 31, 1999 previously delivered to the Buyers by the Sellers.

Advantage

Balance Sheet Account No.	Name of Account
122	Accounts Receivables - Due from Officer
138	Accounts Receivables - Tara
141	Accounts Receivables - Styles Resort Homes
161	Billboard

Styles Estates

Balance Sheet Account No.	Name of Account
129	Accounts Receivables - Shareholders

(b) Immediately prior to the Effective Time, the Companies shall transfer to the Stockholder, in exchange for the Note, the receivables described and reflected in the following balance sheet accounts (the account numbers below relate to the account numbers on the balance sheets of the Companies at July 31, 1999 previously delivered to the Buyers by the Sellers.

Advantage

Balance Sheet Account No.	Name of Account
130	A/R Lindsfields Marketing

132	A/R Lindsfields Adminis
139	A/R Lindsfields General

Styles Estates

Balance Sheet Account No.	Name of Account
164	Lindfields Reserve

(c) Sellers will deliver to Buyers, upon Buyers' request prior to or after Closing evidence satisfactory to Buyers of such transfers. Buyers and Sellers agree that it is the intention of the parties that the assets reflected in the balance sheet accounts described above be transferred prior to the Effective Time and that such assets not be included on the balance sheets of the Companies as of the Effective Time for the purpose of calculating the Adjusted Merger Consideration pursuant to **Schedule 1.7**; provided, however, that the Note shall be included as an asset on the balance sheet of Advantage as of the Effective Time.

(d) The parties agree that even though certain of the assets described above are being transferred to the Stockholder by Styles Estates, for convenience of payment and collection, the Note shall be payable to, and enforceable by, Advantage.

6.11. Earn-Out Period.

(a) During the two (2) year period following Closing, the Surviving Corporations shall not implement any business policies or plans which are materially inconsistent with the practices and policies established, from time to time, for other operating subsidiaries of RQI or which otherwise have as their primary purpose, individually or in the aggregate, the diminution of the payment of Contingent Merger Consideration. Prior to the Calculation of the Contingent Merger Consideration RQI will not dispose of all or substantially all its interests in the Surviving Corporations or otherwise combine the operations of the Surviving Corporations with any other entity unless the Surviving Corporations shall have made reasonable adjustments such that the determination of the Contingent Merger Consideration will be calculated as if the Surviving Corporations had continued as independent entities operating consistent with practices in effect as of the Closing (and the parties agree that in the event of such a disposition or combination, the Contingent Merger Consideration calculation will consider the amounts budgeted for such assets or operations in the Surviving Corporation's fiscal 1999 or 2000 budget).

(b)

ARTICLE VII
CONDITIONS TO THE OBLIGATIONS OF THE BUYERS

Each and every obligation of the Buyers under this Agreement shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions, unless waived in writing by the Buyers:

7.1. Representations and Warranties; Covenants and Agreements. The representations and warranties of the Sellers contained in **Article 2** and elsewhere in this Agreement and all information contained in any exhibit, certificate, schedule or attachment hereto or in any writing delivered by, or on behalf of, the Sellers to the Buyers, shall be true and correct when made and shall be true and correct in all material respects on the Closing Date as though then made, except as expressly provided herein. The Sellers shall have performed and complied with all agreements, covenants and conditions and shall have made all deliveries required by this Agreement to be performed, delivered and complied with by them prior to the Closing Date. Each of the Sellers, the Stockholder and the presidents of each of Advantage and Styles Estates shall have executed and delivered to the Buyers a certificate, dated the Closing Date, certifying to the foregoing.

7.2. No Injunction. No preliminary or permanent injunction or other Order, decree or ruling issued by any Authority, or any Regulation promulgated or enacted by any Authority shall be in effect, which would prevent the consummation of the transactions contemplated hereby.

7.3. Third Party Consents. The Buyers and the Sellers shall have obtained all consents, approvals, waivers or other authorizations listed in **Schedule 2.8**, with respect to the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, such that each of the Contracts of Advantage and Styles Estates remains in effect (without default, acceleration, termination, assignment, right of termination or assignment, payment, increase in rates or compensation payable, penalty, interest or other adverse effect) from and after the Closing Date as such Contracts operated and were in effect before the Closing Date. With respect to the material contracts of Advantage and Styles Estates for which notice of the transaction had been, or should have been, delivered to the other party thereto pursuant to this **Section 7.3**, (a) all such parties to such Contracts shall have been notified of the transactions contemplated hereby, and (b) neither the Buyers nor any Seller shall have received any written notice of terminations or amendments of, or any indication from such party of their intent to terminate or amend, such contract, unless such amendment shall not have a Material Adverse Effect on either the Buyers or the Company.

7.4. Regulatory Approvals. The Authorities listed in **Schedule 2.8** hereto shall have approved the applications listed in such Schedule with respect to the change of control represented by the transactions contemplated by this Agreement, and such approval shall not impose financial obligations on Advantage and Styles Estates or the Buyers that are objectionable to the Buyers.

7.5. No Material Adverse Change. There shall have been no Material Adverse Change with respect to either Advantage or Styles Estates since the date of this Agreement. The Buyers shall have received certificates (which shall be addressed to the Buyers), dated the Closing Date, of each of the president or chief financial officer of Advantage and Styles Estates, certifying to the foregoing.

7.6. Directors and Officers. The Buyers shall have received the resignations of the directors and any officers of Advantage and Styles Estates specified by the Buyers, which resignations shall be effective as of the Effective Date.

7.7. Indebtedness.

(a) Advantage and Styles Estates shall have provided to Buyers evidence that their indebtedness to the creditors set forth on **Schedule 7.7(a)** hereto has been paid and satisfied in full, the creditors have terminated and released (or will terminate and release) all Liens in favor thereof and will provide Advantage, Styles Estates and the Buyers, at or promptly after the Closings, such Uniform Commercial Code (UCC) termination statements, releases of mortgages and other releases of Liens as shall be required by the Buyer and their lenders.

(b) The Buyers shall have determined to their satisfaction that each of Advantage's and Styles Estates' indebtedness to the creditors set forth on **Schedule 7.7(b)** hereto may be paid or prepaid in full at any time without premium or penalty.

7.8. Due Diligence. The Buyers shall have completed their due diligence investigation with respect to Advantage and Styles Estates including, but not limited to, business, financial, legal, operational, customer, worker's compensation, employee (both internal and external) and real estate due diligence, with results satisfactory to the Buyers in their sole discretion.

7.9. Tax Certificates. The Stockholder, Advantage and Styles Estates shall have delivered to the Buyers certificates to the effect that each is not a foreign person pursuant to Section 1.1445-2(b) of the Treasury regulations, and the Stockholder shall have delivered to the Buyers a completed IRS Form W-9.

7.10. Sellers' Closing Documents. The Sellers shall have delivered to the Buyers executed originals of each of the Seller's Closing Documents.

7.11. Leased Premises. Each of Advantage and Styles Estates shall have terminated the existing lease agreements between Advantage and Styles Estates with respect to the premises described in **Exhibit K** and shall have entered into the Lease Agreements effective as of the Effective Time.

7.12. Termination of Certain Agreements and Plans. The Sellers shall have terminated, and neither Advantage, Style Estates, the Surviving Corporations nor any Buyer Entity shall have any liability whatsoever (including, without limitation, the making of any payment in connection with such termination) with respect to: (i) any Stockholder's employment agreement or Options agreement between any Stockholder and either Advantage or Styles Estates, as the case may be; (ii) any qualified "defined benefit plan" (as defined in Section 3(35) of ERISA) in accordance with applicable laws and regulations; (iii) any life insurance policies on the lives of any of the executives and other officers of either Advantage or Styles Estates, as the case may be, together with any agreements to provide any of such policies at the expense of either Advantage and Styles Estates, as the case may be; and (iv) any and all leases of employee vehicles and any

agreements with employees related to the provision of the employee vehicles, or for the payment of a periodic vehicle allowance, by either Advantage or Styles Estates, as the case may be.

7.13. Board Approval. RQI's Board of Directors or, if applicable, the appropriate committee thereof, shall have approved this Agreement and the transactions contemplated herein.

7.14. Management Agreements. To the extent required, Sellers shall have obtained from the association or other party to each of Advantage's or Styles Estates' management agreements as set forth on **Schedule 2.31** hereto, consent to the change in control of Advantage and Styles Estates pursuant to their agreement or the assignment of the existing agreements or Advantage and Styles Estates shall have caused the association or other party to execute and deliver new or amended and restated agreements satisfactory in form and substance to the Buyers.

7.15. Grant of License. The Buyers shall have been granted, for a period of twenty (20) years following the Effective Date, a royalty-free exclusive license pursuant to a license agreement, satisfactory in form and substance to Buyer and its counsel, to use the tradenames, trademarks, and trade dress set forth in **Schedule 7.15** in connection with the operation of the business of Advantage and Styles Estates.

ARTICLE VIII
CONDITIONS TO THE OBLIGATIONS OF THE SELLERS

Each and every obligation of the Sellers under this Agreement shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions unless waived in writing by the Sellers:

8.1. Representations and Warranties; Performance. The representations and warranties of the Buyers contained in **Article 3** and elsewhere in this Agreement and all information contained in any exhibit, schedule or attachment hereto, or in any writing delivered by the Buyers to the Sellers, shall be true and correct in all material respects when made and shall be true and correct in all material respects on the Closing Date as though then made, except as expressly provided herein. The Buyers shall have performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed and complied with by them prior to the Closing Date. An authorized officer of each of the Buyers shall have delivered to the Sellers a certificate, dated the Closing Date, certifying to the foregoing.

8.2. No Injunction. No preliminary or permanent injunction or other Order, decree or ruling issued by any Authority, or any Regulation promulgated or enacted by any Authority shall be in effect, which would prevent the consummation of the transactions contemplated hereby.

8.3. Buyers' Closing Documents. The Buyers shall have delivered to the Sellers executed originals of each of the Buyers' Closing Documents, the Closing Cash Consideration and the Closing Stock Consideration.

ARTICLE IX
TERMINATION AND ABANDONMENT

9.1. Methods of Termination. This Agreement may be terminated and the transactions herein contemplated may be abandoned at any time:

(a) by mutual consent of the Buyers and the Sellers;

(b) by the Buyers or the Sellers if this Agreement is not consummated on or before August 6, 1999; provided, however, that if any party has breached or defaulted with respect to its respective obligations under this Agreement on or before such date, such party may not terminate this Agreement pursuant to this **Section 9.1(b),** and each other party to this Agreement shall at its option enforce its rights against such breaching or defaulting party and seek any remedies against such party, in either case as provided hereunder and by applicable law;

(c) by the Buyers if as of the Closing Date (including any extensions) any of the conditions specified in **Article 7** hereof shall not have been satisfied or if any of the Sellers is otherwise in default under this Agreement; or

(d) by the Sellers if, as of the Closing Date (including any extensions), any of the conditions specified in **Article 8** hereof shall not have been satisfied, or if the Buyers are in default under this Agreement.

9.2. Procedure Upon Termination. In the event of termination and abandonment pursuant to **Section 9.1** hereof, and subject to the proviso contained in **Section 9.1(b)**, this Agreement shall terminate and shall be abandoned, without further action by any of the parties hereto. If this Agreement is terminated as provided herein:

(a) each party shall redeliver all documents and other material of any other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof, to the party furnishing the same;

(b) all information received by any party hereto with respect to the business of any other party or the Company (other than information which is a matter of public knowledge or which has heretofore been or is hereafter published in any publication for public distribution or filed as public information with any governmental authority) shall not at any time be used for the advantage of, or disclosed to third parties by, such party to the detriment of the party furnishing such information; and

(c) no party hereto shall have any further liability or obligation to any other party under or in connection with this Agreement; provided, however, that (i) that the provisions of **Section 6.5** and **Section 6.6** shall survive any termination of this Agreement, and (ii) the non-breaching or non-defaulting party shall not be foreclosed from bringing any Claim or cause of action or otherwise recovering from the breaching or defaulting party.

ARTICLE X
SURVIVAL OF TERMS; INDEMNIFICATION

10.1. Survival; Knowledge.

(a) All of the terms and conditions of this Agreement, together with the representations, warranties and covenants contained herein or in any instrument or document delivered or to be delivered pursuant to this Agreement, shall survive the execution of this Agreement and the Closings notwithstanding any investigation heretofore or hereafter made by or on behalf of any party hereto; provided, however, that (i) the agreements and covenants set forth in this Agreement shall survive and continue until all obligations set forth therein shall have been performed and satisfied; and (ii) subject to **Section 10.6,** all representations and warranties shall survive and continue until one (1) year following the Closing Date (the "Anniversary Date"), except for (x) representations and warranties relating to tax liabilities, which shall survive for the lesser of six (6) years or the applicable statute of limitations; and (y) representations and warranties for which a claim for indemnification hereunder (an "Indemnification Claim") shall be pending as of the Anniversary Date, in which event such representations and warranties shall survive with respect to such Indemnification Claim until the final disposition thereof.

(b) The right to indemnification, payment of damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of damages, or other remedy based on such representations, warranties, covenants, and obligations.

10.2. Indemnification by the Stockholders. Subject to this **Article 10,** the Stockholder shall, jointly and severally, indemnify, defend and hold harmless each of the Buyers and each of the other Buyer Entities and each of the officers, directors, employees, stockholders, members, attorneys, accountants, partners, representatives, agents, successors and assigns of each of the foregoing (each a "Buyer Indemnified Party" and collectively, the "Buyer Indemnified Parties"), at all times after the date of this Agreement, against and in respect of any and all Claims (including, without limitation, the legal fees and expenses) resulting from, or in respect of, any of the following:

(a) Any misrepresentation, breach of warranty, or nonfulfillment of any covenant or other obligation on the part of any Seller under this Agreement, any document relating thereto or contained in any schedule (without giving effect to any amendment or supplement thereto) or exhibit to this Agreement or from any misrepresentation in or omission from any certificate, schedule, other agreement or instrument by any of the Sellers hereunder;

(b) Any conduct, action or inaction of any of the Sellers occurring or arising from or relating to the operation, management or ownership of each of Advantage and Styles

Estates on or prior to the Closing Date or any circumstance related to the operation, management or ownership of each of Advantage and Styles Estate on or prior to the Closing Date, whether known or unknown on the Closing Date other than current liabilities incurred in the Ordinary Course of Business such as utilities, payroll and rent which have been accrued but not posted on the balance sheets of the Companies as of the Closing Date and which will be reflected on the balance sheets of the Companies as of the Effective Time for purposes of **Schedule 1.7**;

(c) Any and all liabilities of each of Advantage and Styles Estates of any nature whether accrued, absolute, contingent or otherwise, and whether known or unknown, existing at the Closing Date to the extent not reflected and reserved against in the balance sheet included in the Interim Financial Statements or not otherwise expressly disclosed in this Agreement or the schedules or exhibits thereto, including, without limitation:

(i) All liabilities for Taxes of each of Advantage and Styles Estates, together with any interest or penalties thereon or related thereto, through the Closing Date and any liabilities for Taxes of each of Advantage and Styles Estates, arising in connection with the transactions contemplated hereby. Any Taxes, penalties or interest attributable to the operations of each of Advantage and Styles Estates payable as a result of an audit of any tax return shall be deemed to have accrued in the period to which such Taxes, penalties or interest are attributable;

(ii) All environmental liabilities relating to any of Advantage's or Styles Estates' properties, including federal, state and local environmental liability, together with any interest or penalties thereon or related thereto, through the Closing Date, but excluding any amount for which there is an adequate accrual and reserve on the balance sheet included in the Interim Financial Statements;

(d) Any and all liabilities of the Sellers arising from the matters disclosed on **Schedule 2.15**, other than those attributable to the actions of the Surviving Corporations following the Effective Date (the "Litigation Contingencies").

(e) All demands, assessments, judgments, costs and reasonable legal and other expenses arising from, or in connection with any Claim incident to any of the foregoing.

10.3. Indemnification by the Buyers. Subject to this **Article 10**, the Buyers shall indemnify, defend and hold harmless the Stockholder and her heirs, successors, assigns, representatives, attorneys, accountants, partners and agents (each, a "Seller Indemnified Party" and collectively, the "Seller Indemnified Parties"), at all times after the date of this Agreement, against and in respect of any and all Claims (including, without limitation, the fees and expenses of counsel) resulting from, or in respect of, (i) any misrepresentation, breach of warranty, or nonfulfillment of any covenant or other obligation on the part of the Buyers under this Agreement, any document relating hereto or contained in any schedule or exhibit to this Agreement, (ii) from any misrepresentation in or omission from any certificate, schedule, other agreement or instrument by the Buyers hereunder, or (iii) any conduct, action, inaction of the Seller or the Buyers arising from or relating to the operation, management or ownership of

Advantage or Styles Estates after the Closing Date or any circumstance related to the operation, management or ownership of Advantage or Styles after the Closing Date.

10.4. Third Party Claims.

(a) Except as otherwise provided in this Agreement, the following procedures shall be applicable with respect to indemnification for third party Claims. Promptly after receipt by the party seeking indemnification hereunder (hereinafter referred to as the "Indemnitee") of notice of the commencement of any (a) audit or proceeding for the assessment of Taxes by any taxing authority or any other proceeding likely to result in the imposition of a Tax liability for Taxes or obligation or (b) any action or the assertion of any Claim, liability or obligation by a third party (whether by legal process or otherwise), against which Claim, liability or obligation the other party to this Agreement (hereinafter the "Indemnitor") is, or may be, required under this Agreement to indemnify such Indemnitee, the Indemnitee will, if a Claim thereon is to be, or may be, made against the Indemnitor, notify the Indemnitor in writing of the commencement or assertion thereof and give the Indemnitor a copy of such Claim, process and all legal pleadings. The Indemnitor shall have the right to participate in the defense of such action with counsel of reputable standing selected by the Indemnitor. The Indemnitor shall have the right to assume the defense of such action unless such action (i) may result in injunctions or other equitable remedies in respect of the Indemnitee or its business, (ii) may result in liabilities which, taken with other then existing Claims under this **Article 10**, would not be fully indemnified hereunder, or (iii) may have an adverse impact on the business or financial condition of the Indemnitee after the Closing Date (including an effect on the liabilities for Taxes, earnings or ongoing business relationships of the Indemnitee). The Indemnitor and the Indemnitee shall cooperate in the defense of such Claims. In the event that the Indemnitor shall assume or participate in the defense of such audit, assessment or other proceeding as provided herein, the Indemnitee shall make available to the Indemnitor all relevant records and sign such documents as are necessary to defend such audit, assessment or other proceeding in a timely manner.

(b) Upon judgment, determination, settlement or compromise of any third party Claim, the Indemnitor shall pay promptly on behalf of the Indemnitee, and/or to the Indemnitee in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement or compromise, unless in the case of a judgment an appeal is made from the judgment, plus all other Claims of the Indemnitee with respect thereto (including, without limitation, legal fees and expenses). If the Indemnitor desires to appeal from an adverse judgment, then the Indemnitor shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon the payment in full by the Indemnitor of such amounts, the Indemnitor shall succeed to the rights of such Indemnitee, to the extent not waived in settlement, against the third party who made such third party Claim.

(c) Prior to paying or settling any Claim against which an Indemnitor is, or may be, obligated under this Agreement to indemnify an Indemnitee, the Indemnitee must first supply the Indemnitor with a copy of a final court judgment or decree holding the Indemnitee liable on such claim or failing such judgment or decree, and must first receive the written approval of the terms and conditions of such settlement from the Indemnitor. An Indemnitor

shall have the right to settle any Claim against it or as to which it has assumed the defense, subject to the prior written approval of the Indemnitee, which approval shall not be unreasonably withheld, provided that such settlement involves only the payment of a fixed sum which the Indemnitor is obligated to pay and does not include any admission of liability or other such similar admissions by or related to the Indemnitee with respect to such Claim.

(d) An Indemnitee shall have the right to employ its own counsel in any case, but the fees and expenses of such counsel shall be at the expense of the Indemnitee unless (i) the employment of such counsel shall have been authorized in writing by the Indemnitor in connection with the defense of such action or Claim, (ii) the Indemnitor shall not have employed, or is prohibited under this **Section 10.4** from employing, counsel in the defense of such action or Claim, or (iii) such Indemnitee shall have reasonably concluded that there may be defenses available to it which are contrary to, or inconsistent with, those available to the Indemnitor, in any of which events such fees and expenses of not more than one additional counsel for the indemnified parties shall be borne by the Indemnitor.

10.5. Limitation on Indebtedness. Notwithstanding any other provisions of this Article 10:

(a) neither the Stockholder nor the Buyers shall be required to indemnify the other for an individual Claim of less than $5,000 until such time as all Claims of less than $5,000, in the aggregate, exceed $100,000 at which time the indemnifying party shall indemnify the indemnified party for the aggregate amount of all individual Claims of less than $5,000. With respect to Claims in excess of $5,000, neither the Stockholder nor the Buyers shall be required to indemnify the other for Claims in excess of $5,000 until such time as all Claims in excess of $5,000 exceed $54,610 at which time the indemnifying party shall indemnify the indemnified party for the aggregate amount of all claims in excess of $5,000; provided however, that, notwithstanding any thing here to the contrary, the Stockholder shall indemnify the Buyer Indemnified Parties for all Claims related to or arising out of the matters described in **Schedule 10.6**, without any limitation as to the time at which the Claim may be submitted.

(b) neither the Stockholder nor the Buyers shall be liable under this Agreement for an amount which exceeds the Merger Consideration.

10.6. Survival of Indemnification. These indemnification provisions shall survive the termination or other expiration of this Agreement until the first (1st) anniversary of the Closing Date, except for (x) representations and warranties relating to tax liabilities, which shall survive for the lesser of six (6) years or the applicable statute of limitations; (y) those Indemnification Claims which shall be pending as of the first anniversary of the Closing Date, in which event, such Indemnification Claims and the related indemnification provisions shall survive until the final disposition thereof and (z) those liabilities described in **Schedule 10.6** which shall survive until expiration of the applicable statute of limitations with respect thereto.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1. Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified and supplemented only by a written agreement signed by the Buyers and the Sellers.

11.2. Entire Agreement. This Agreement, including the schedules and exhibits hereto and the documents, annexes, attachments, certificates and instruments referred to herein and therein, embodies the entire agreement and understanding of the parties hereto in respect of the agreements and transactions contemplated by this Agreement and supersedes all prior agreements, representations, warranties, promises, covenants, arrangements, communications and understandings, oral or written, express or implied, between the parties with respect to such transactions. There are no agreements, representations, warranties, promises, covenants, arrangements or understandings between the parties with respect to such transactions, other than those expressly set forth or referred to herein.

11.3. Certain Definitions. In addition to the following defined terms, and those set forth elsewhere in this Agreement, the defined terms contained in **Schedule 1.7** hereto are incorporated by reference in this **Section 11.3.**

"AVH Merger Sub" shall have the meaning assigned to such term in the Introduction hereof.

"Additional Amount" shall have the meaning assigned to such term in **Section 1.7(b)(i)** hereof.

"Affiliate" means, with regard to any Person, (a) any Person, directly or indirectly, controlled by, under common control of, or controlling such Person, (b) any Person, directly or indirectly, in which such Person holds, of record or beneficially, five percent or more of the equity or voting securities, (c) any Person that holds, of record or beneficially, five percent or more of the equity or voting securities of such Person, (d) any Person that, through Contract, relationship or otherwise, exerts a substantial influence on the management of such Person's affairs, (e) any Person that, through Contract, relationship or otherwise, is influenced substantially in the management of their affairs by such Person, or (f) any director, officer, partner or individual holding a similar position in respect of such Person.

"Affiliate Agreement" shall have the meaning assigned to such term in **Section 1.9** hereof.

"Affiliate Receivable" shall have the meaning assigned to such term in **Section 1.7** hereof.

"Agreement" shall have the meaning assigned to such term in the Introduction hereto.

"Ancillary Documents" shall have the meaning assigned to such term in **Section 2.7** hereof.

"Anniversary Date" shall have the meaning assigned to such term in **Section 10.1** hereof.

"Articles of Merger" shall have the meaning assigned to such term in **Section 1.2** hereof.

"Authority" means any international, federal, state local or municipal governmental, regulatory or administrative body, agency, department, division, subdivision, office, arbitrator or other authority, any court or judicial authority, or any public, private or industry regulatory agency or authority.

"Average Price" means, as of any date, the average of the daily closing prices of RQI Stock as reported on the New York Stock Exchange - Composite Transactions for the ten (10) consecutive trading-day period ending on the second day prior to such date.

"Balance Sheet Date" shall have the meaning assigned to such term in **Section 2.11** hereof.

"Balance Sheets" shall have the meaning assigned to such term in **Section 2.9** hereof.

"Benefit Plan" shall have the meaning assigned to such term in **Section 2.18** hereof.

"Business Groups" shall have the meaning assigned to such term in **Section 2.17(c)** hereof.

"Buyer Entity" and "Buyer Entities" shall have the meaning assigned to such terms in **Section 6.5** hereof.

"Buyer Group Property" shall have the meaning assigned to such term in **Section 6.6(c)** hereof.

"Buyer Indemnification Threshold" shall have the meaning assigned to such term in **Section 10.5** hereof.

"Buyer Indemnified Parties" shall have the meaning assigned to such term in **Section 10.2** hereof.

"Buyers' Closing Documents" shall have the meaning assigned to such term in **Section 1.11(b)** hereof.

"Certificates of Merger" shall have the meaning assigned to such term in **Section 1.2** hereof.

"Charter Documents" shall have the meaning assigned to such term in **Section 2.1(c)** hereof.

"Claim" means any action, claim, obligation, liability, damage, loss, deficiency, cost, expense, commitment, lawsuit, demand, suit, inquiry, hearing, investigation, notice of a violation, litigation, proceeding, arbitration, or other dispute, whether civil, criminal, administrative or otherwise, whether pursuant to contractual obligations or otherwise.

"Closings" shall have the meaning assigned to such term in **Section 1.10** hereof.

"Closing Date" shall have the meaning assigned to such term in **Section 1.10** hereof.

"Closing Stock Consideration" shall have the meaning assigned to such term in **Section 1.7(a)** hereof.

"Code" shall have the meaning assigned to such term in **Section 2.16** hereof.

"Confidential Information" shall have the meaning assigned to such term in **Section 6.6(a)** hereof.

"Contingent Cash Consideration" shall have the meaning assigned to such term in **Section 1.7(c)** hereof.

"Contingent Consideration Payment Date" means, with respect to the Contingent Payments, if any, to be made by RQI with respect to Year 1 and Year 2 (as defined in **Schedule 1.7** hereof) pursuant to **Schedule 1.7** hereto, the date on which such year's payment is to be made.

"Contingent Merger Consideration" shall have the meaning assigned to such term in **Schedule 1.7** hereof.

"Contract" means any agreement, contract, commitment, instrument or other binding arrangement or understanding, whether written or oral.

"Current Assets" means, with respect to any Person, the current assets of such Person, as defined and calculated in accordance with GAAP.

"Deficiency Amount" shall have the meaning assigned to such term in **Section 1.7(b)(ii).**

"Delaware Certificate of Merger" shall have the meaning assigned to such term in **Section 1.2** hereof.

"Deposits" shall have the meaning assigned to such term in **Section 2.10** hereof.

"Determination Date" shall have the meaning assigned to such term in **Section 1.7(b)** hereof.

"Effective Time" shall have the meaning assigned to such term in **Section 1.2** hereof.

"Employees" shall have the meaning ascribed in **Schedule 2.11.**

"Employment Agreement" shall have the meaning assigned to such term in **Section 1.9** hereof.

"Environmental Law" means any Regulation, Order, settlement agreement or governmental requirement, which relates to or otherwise imposes liability or standards of conduct concerning mining or reclamation of mined land, discharges, emissions, releases or threatened releases of noises, odors or any pollutants, contaminants or hazardous or toxic wastes, substances or materials, whether as matter or energy, into ambient air, water, or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, or hazardous wastes, substances or materials, including (but not limited to) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, as amended, any so called "Superlien" law, and any other similar Federal, state or local statutes.

"Environmental Permits" shall mean Permits, certificates, approvals, licenses and other authorizations relating to or required by Environmental Law and necessary or desirable for Advantage's or Styles Estates' business.

"ERISA" shall have the meaning assigned to such term in **Section 2.18** hereof.

"ERISA Affiliate" shall have the meaning assigned to such term in **Section 2.18** hereof.

"Estimated Merger Consideration" shall have the meaning assigned to such term in **Schedule 1.7** hereof.

"Financial Statements" shall have the meaning assigned to such term in **Section 2.9** hereof.

"GAAP" means generally accepted accounting principles, applied on a consistent basis.

"Hazardous Material" means (a) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls (PCBs); (b) any chemicals or other materials or substances which are now or hereafter become defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or words of similar import under any Environmental Law; and (c) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated by any Authority under any Environmental Law.

"Indemnification Claim" shall have the meaning assigned to such term in **Section 10.1** hereof.

"Indemnitee" shall have the meaning assigned to such term in **Section 10.4** hereof.

"Indemnitor" shall have the meaning assigned to such term in **Section 10.4** hereof.

"Intellectual Property" means any patent, patent application, copyright, trademark, trade name, service mark, service name, trade secret, know-how, confidential information or other intellectual property or proprietary rights owned or used by the Seller.

"Interim Financial Statements" shall have the meaning assigned to such term in **Section 2.9** hereof.

"Knowledge" means, (a) with respect to Jean Styles, that she has actual knowledge or awareness of a particular fact or matter or with due diligence and conducting a reasonable investigation concerning the existence of such fact or matter, could be expected to discover or otherwise become aware of such fact or matter, and (b) with respect to the Companies, that Jean Styles, Denise Assersohn, George Hanley, Maria Barry, Janice Edwards Diaz and Pamela Chapman has, or at any time had, "Knowledge" of such fact or matter as defined in clause (a) of this definition.

"Lien" means any security interest, lien, mortgage, pledge, hypothecation, encumbrance, Claim, easement, restriction or interest of another Person of any kind or nature.

"Lindfields" shall mean have the meaning assigned to such term in **Section 1.7(b)(ii)**.

"Litigation Contingencies" shall have the meaning assigned to such term in **Section 10.2(d)**.

"Long-Term Liabilities" means, with respect to any Person, the long term liabilities of such Person as defined and calculated in accordance with GAAP.

"Material Adverse Change" means any development or change which has, had or would have a Material Adverse Effect.

"Material Adverse Effect" means, as to any Person, any circumstances, events, state of facts or matters which has had, or might reasonably be expected to have, a material adverse effect on (a) such Person's business, operations, properties, assets, condition (financial or otherwise), results, plans, strategies or prospects, or (b) the ability of such Person to consummate any of the transactions contemplated by this Agreement or any of the related agreements, instruments or documents, or (c) the benefits contemplated to be conferred on such Person by this Agreement or any of the related agreements, instruments or documents.

"Merger" shall have the meaning assigned to such term in the Recitals hereof.

"Merger Agreement" shall have the meaning assigned to such term in the Recitals hereof.

"Merger Consideration" shall have the meaning assigned to such term in **Schedule 1.7** hereof.

"Merger Date" shall have the meaning assigned to such term in **Section 1.2** hereof.

"Note" shall have the meaning assigned to such term in **Section 1.9** hereof.

"Officer's Certificate" shall have the meaning assigned to such term in **Section 1.11(a)(iv)** hereof.

"Opinion of Counsel to the Buyers" shall have the meaning assigned to such term in **Section 1.11(b)(ix)** hereof.

"Opinion of Counsel to the Sellers" shall have the meaning assigned to such term in **Section 1.11(a)(v)** hereof.

"Options" shall have the meaning assigned to such term in **Section 2.6** hereof.

"Order" means any decree, consent decree, judgment, award, order, injunction, consent of or by an Authority.

"Ordinary Course of Business" shall mean an action taken by a Person only if:

(a) such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person;

(b) such action is not required to be authorized by the board of directors or stockholders of such Person (or by any Person or group of Persons exercising similar authority); and

(c) such action is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors or stockholders (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

"Permits" shall have the meaning assigned to such term in **Section 2.17(b)** hereof.

"Person" means any individual, corporation, partnership, limited partnership, limited liability partnership or company, joint venture, company, syndicate, union, unincorporated organization, association, trust, entity, Authority or natural person.

"Pre-Closing Tax Return" shall have the meaning assigned to such term in **Section 4.7** hereof.

"Regulation" means any law, statute, rule, regulation, ordinance, requirement, announcement or other binding action of or by an Authority.

"Related Statements" shall have the meaning assigned to such term in **Section 2.9** hereof.

"Restricted Businesses" means the business, products, services and activities

("Activities") of (i) Advantage and Styles Estates as of the Closing Date, (ii) the Surviving Corporations during the period of employment or utilization of the Stockholder by the Surviving Corporations or by any of the Buyer Entities, (iii) any Buyer Entity to the extent the Stockholder is involved in or gains proprietary or confidential information regarding such Activities by virtue of her employment with or utilization by the Surviving Corporations or by any of the Buyer Entities. Stockholder may conduct real estate sales or brokerage activities (collectively "Brokerage Activities") during the remaining Noncompetition Period in the Orlando metropolitan area (the "Permitted Area") unless any of the Surviving Corporations or other current or future Buyer Entities is conducting Brokerage Activities in the Permitted Area as of the Cessation Date, in which case, after the Cessation Date and during the Noncompetition Period, Stockholder shall not conduct Brokerage Activities within the Permitted Area except as an employee, agent or independent contractor of, or in any similar capacity with any of the Surviving Corporations or other current or future Buyer Entities, pursuant to an arrangement or contract on such terms and conditions as are then normal and customary for an equivalent position in the real estate brokerage business in the Permitted Area. The Restricted Businesses shall not include the business of developing vacation homes and selling timeshares therein.

"Restricted Period" means a period of three (3) years, from the Closing Date to the third (3rd) anniversary of the Closing Date.

"Restricted Territory" means the aggregate geographic area consisting of all those geographic areas within a 50-mile radius of any location at which the Buyers, any Buyer Entity, or Advantage, Styles Estates or any of their Affiliates conducts one or more of the Restricted Businesses.

"RQI Stock" means the shares of the common stock of RQI, par value $.01 per share.

"SEL Merger Sub" shall have the meaning assigned to such term in the Introduction hereof.

"Secretary's Certificate" shall have the meaning assigned to such term in **Section 1.11(a)(iii)** hereof.

"Seller Indemnified Parties" shall have the meaning assigned to such term in **Section 10.3** hereof.

"Sellers' Closing Documents" shall have the meaning assigned to such term in **Section 1.11(a)** hereof.

"Services" shall have the meaning assigned to such term in the Recitals hereof.

"Software" shall have the meaning assigned to such term in **Section 2.19(d)** hereof.

"Subsidiary" means any Person which any Buyer or the Company, as the case may be, owns, directly or indirectly, five percent (5%) or more of the outstanding stock or other ownership or equity interests thereof.

"Surviving Corporation" shall have the meaning assigned to such term in **Section 1.1** hereof.

"Tax Authorities" shall have the meaning assigned to such term in **Section 2.16** hereof.

"Tax Returns" shall have the meaning assigned to such term in **Section 2.16** hereof.

"Taxes" shall have the meaning assigned to such term in **Section 2.16** hereof.

"Timeshare Business" shall mean the business of selling time share interests in real property and developing property and selling timeshare interests therein.

11.4. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand or mailed, first class certified mail with postage paid or by overnight receipted courier service:

If to the Sellers, to:

Advantage Vacation Homes by Styles, Ltd.
Styles Estates Ltd., Inc.
7799 Styles Blvd.
Kissimmee, FL 34747
Attn: Jean E. Styles
Facsimile: (407) 396-1588

with a copy to:

David A. Webster, Esq.
Milam, Otero, Larson, Dawson & Traylor, P. A.
413 Virginia Drive
Orlando, FL 32803

or to such other person or address as the Sellers shall furnish by notice to the Buyers in writing.

If to the Buyers to:

ResortQuest International, Inc.
Oak Court Drive
Suite 360
Memphis, Tennessee 38117

Attn: John K. Lines, Sr. Vice President,
General Counsel, and Secretary
Facsimile: (901) 762-0635

with a copy to:

Hunton & Williams
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219-4034
Attn: Daniel M. LeBey, Esq.
Facsimile: (804) 788-8218

or to such other person or address as the Buyers shall furnish by notice to Sellers in writing.

11.5. Exhibits and Schedules. The Exhibits and Schedules referred to in this Agreement are attached hereto and incorporated herein by this reference. Disclosure of a specific item in any one Schedule shall be deemed restricted only to the Section of this Agreement to which such disclosure relates, except where, and to the extent that, there is an explicit cross-reference in such Schedule to another Schedule.

11.6. Waiver of Compliance; Consents. Any failure of any party hereto to comply with any obligation, covenant, agreement or condition herein may be waived in writing by the other parties hereto, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing.

11.7. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors, including without limitation the estate of the Stockholder, and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties, except that the Buyers may assign their respective rights, interests and obligations hereunder to any wholly-owned Subsidiary, and may grant Liens or security interests in respect of its rights and interests hereunder, without the prior approval of the Sellers.

11.8. Governing Law. The Agreement shall be governed by the internal laws of the State of Delaware as to all matters, including but not limited to matters of validity, construction, effect and performance.

11.9. Consent to Jurisdiction; Venue. Each of the Sellers and each of the Buyers hereby irrevocably submit to the jurisdiction of any United States District Court in Orlando, Florida or any appropriate state court in Orlando, Florida, in connection with any suit, action or other

proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, and hereby agree not to assert, by way of motion, as a defense, or otherwise in any such suit, action or proceeding that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced by such courts.

11.10. Injunctive Relief. The parties hereto agree that in the event of a breach of any provision of this Agreement, the aggrieved party or parties may be without an adequate remedy at law. The parties therefore agree that in the event of a breach of any provision of this Agreement, the aggrieved party or parties may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of such provision, as well as to obtain damages for breach of this Agreement. By seeking or obtaining any such relief, the aggrieved party shall not be precluded from seeking or obtaining any other relief to which it may be entitled.

11.11. Entire Agreement. This Agreement and the Ancillary Documents supersede all prior discussions and agreements between the parties with respect to the subject matter hereof and contain the sole and entire agreement between the parties hereto with respect to the subject matter hereof and thereof.

11.12. Headings. The article, section and other headings contained in this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement (or any provision hereof).

11.13. Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular forms of nouns, pronouns, and verbs include the plural and vice versa.

11.14. Construction. The parties acknowledge that each party has reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

11.15. Dealings in Good Faith; Best Efforts. Each party hereto agrees to act in good faith with respect to the other party in exercising its rights and discharging its obligations under this Agreement. Each party further agrees to use its best efforts to ensure that the purposes of this Agreement are realized and to take all further steps as are reasonably necessary to implement the provisions of this Agreement. Each party agrees to execute, deliver and file any document or instrument necessary or advisable to realize the purposes of this Agreement.

11.16. Binding Effect. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the signatories to this Agreement and each of their respective successors and permitted assigns.

11.17. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach or default of any other party under this

Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party hereto of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

11.18. Severability. Unless otherwise provided herein, if any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

11.19. Expenses. All fees, costs and expenses (including, without limitation, legal, auditing and accounting fees, costs and expenses) incurred in connection with considering, pursuing, negotiating, documenting or consummating this Agreement and the transactions contemplated hereby shall be borne and paid solely by the party incurring such fees, costs and expenses.

11.20. Status as a ResortQuest International, Inc. Affiliate. Stockholder hereby acknowledges and agrees that, following the consummation of the transactions contemplated hereby, Surviving Corporations will be, and will be operated as subsidiaries of RQI, and, as such, employees and consultants of each of the Merger Subs will be asked from time to time to assist with or participate in matters related to the interests if RQI and its subsidiaries as a whole. In addition, subject to Section 6.11, Stockholder acknowledges and agrees that the Buyers will operate the Surviving Corporations in accordance with the policies and procedures established from time to time by RQI for its subsidiaries, and such affiliation may result in certain operating costs and expenses (including, without limitation, additional labor costs or office or computer equipment upgrading costs and expenses) arising after the Closing which may be different from those incurred by the Company prior to Closing.

11.21. Attorneys' Fees. If any party to this Agreement seeks to enforce the terms and provisions of this Agreement, then the prevailing party in such action shall be entitled to recover from the losing party all costs in connection with such action, including without limitation reasonable attorneys' fees, expenses and costs incurred with respect to trials, appeals and collection.

11.22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

The parties hereto have made and entered into this Agreement the date first hereinabove set forth.

RESORTQUEST INTERNATIONAL, INC.

By: _____
Name: John K. Lines
Title: Senior Vice President/General Counsel/Secretary

AVH MERGER CO.

By: _____
Name: John K. Lines
Title: President

SEL MERGER CO.

By: _____
Name: John K. Lines
Title: President

STYLES ESTATES, LTD., INC.

By: _____
Name: Jean E. Styles
Title: President

ADVANTAGE VACATION HOMES BY STYLES, INC.

By: _____
Name: Jean E. Styles
Title: President

STOCKHOLDER

_____
Jean E. Styles, individually

SCHEDULE 1.7

MERGER CONSIDERATION AND OTHER DEFINED TERMS

1. MERGER CONSIDERATION

(a) Definitions.

(i) "Merger Consideration" means the sum of the Adjusted Merger Consideration and the Contingent Merger Consideration.

(ii) "Estimated Merger Consideration" means an amount equal to (a) the Fixed Amount, **less** (b) the Holdback Amount.

(iii) "Adjusted Merger Consideration" means an amount equal to (a) $2,730,541.32, **less** (b) the greater of (i) the amount, if any, by which the Adjusted Current Liabilities exceed the Adjusted Current Assets, or (ii) the amount, if any, by which the Adjusted Liabilities exceed the Adjusted Assets **or,** (c) if Adjusted Current Assets exceed Adjusted Current Liabilities and Adjusted Assets exceed Adjusted Liabilities, **then plus** the amount by which Adjusted Current Assets exceed Adjusted Current Liabilities.

(iv) "Contingent Merger Consideration" means either or both of the two (2) potential additional payments to be made to the Stockholder as additional Merger Consideration after the Closing based upon EBIT for Year 1 (the "Year 1 EBIT") and the actual EBIT for Year 2 (the "Year 2 EBIT") which amounts shall be determined by reference to paragraph (b) below.

(b) Contingent Merger Consideration Payments.

(i) First Contingent Payment. The first contingent merger consideration payment to the Stockholder shall equal six times the amount by which Year 1 EBIT exceeds $523,353.

(ii) Second Contingent Payment. The second contingent merger consideration payment to the Stockholder shall equal six times the amount by which Year 2 EBIT exceeds $601,856.

(c) Dispute Resolution. Within twenty (20) business days after the end of Year 1 and Year 2, AVH Merger Sub, SEL Merger Sub and RQI shall calculate the EBIT for the applicable year and deliver a written notice to the Stockholder and RQI setting forth (x) the amount of the Year 1 EBIT or Year 2 EBIT, as the case may be, (y) the amount of the Contingent Merger Consideration for such year, and (z) the details of the calculations thereof (each a "Contingent Consideration Calculation"). Within ten (10) business days after the delivery of such written notice to the Stockholder and RQI, the Stockholder and RQI shall notify Advantage and Styles Estates, as the case may be, of any disagreement with the Contingent Consideration

Calculation for that year ("Dispute Notice"). In the event that both the Stockholder and RQI fail to timely send a written Dispute Notice to Advantage and Styles Estates for that year, the Contingent Consideration Calculation shall be binding on all parties as the final calculation and within five (5) business days thereafter, RQI shall pay to the Stockholder on a pro rata basis any applicable Contingent Payment for such year. To the extent that either or both of the Stockholder and RQI timely send a Dispute Notice to Advantage and Styles Estates, and any such dispute is not resolved to the satisfaction of RQI and the Stockholder within ten (10) business days after delivery of a Dispute Notice by the Stockholder or RQI, then the item or items so specified will be submitted to a big five accounting firm, reasonably acceptable to the Stockholder and RQI, as arbitrator for resolution (the "Arbitrator"). The Arbitrator shall make a determination of the item or items in dispute and its determination shall be final and binding upon the parties. In the event that the parties cannot agree on an Arbitrator within five (5) business days of the submission of a demand for arbitration, then such Arbitrator shall be selected by the American Arbitration Association ("AAA") on the request of either RQI or the Stockholder. The fees and expenses of AAA and the Arbitrator shall be shared equally between RQI, on the one hand, and the Stockholder, on the other hand. Within five (5) business days after resolution by the parties or the Arbitrator of the item or items in dispute, RQI shall pay to the Stockholder on a pro rata basis any applicable Contingent Merger Consideration for such year. Notwithstanding the foregoing, if a portion of the Contingent Merger Consideration is disputed by RQI, RQI shall pay to the Stockholder the portion of the Contingent Merger Consideration, if any, which is not disputed, pending resolution of the disputed portion.

2. CERTAIN DEFINED TERMS

"Adjusted Assets" means the assets of Advantage and Styles Estates, on a combined basis after any appropriate adjustment for intercompany accounts, as of the Effective Date, calculated in accordance with GAAP, but excluding therefrom all Deposits.

"Adjusted Current Assets" means the current assets of each of Advantage and Styles Estates, on a combined basis after any appropriate adjustment for intercompany accounts, as of the Effective Date, calculated in accordance with GAAP, but excluding therefrom all Deposits.

"Adjusted Current Liabilities" means the current liabilities of each of Advantage and Styles Estates, on a combined basis after any appropriate adjustment for intercompany accounts, as of the Effective Date, calculated in accordance with GAAP, but excluding therefrom those accounts referred to by Advantage and Styles Estates as Advanced Deposits, Due to Owners and A/P on Behalf of Owners, if any, in an amount not to exceed the cumulative amount of Deposits related thereto and deducted in calculating Adjusted Current Assets.

"Adjusted EBIT" for each of Advantage and Styles Estates, on a combined basis after any appropriate adjustment for intercompany accounts, for any period shall be an amount equal to the sum of the following: net income before taxes **plus** interest expense.

"Adjusted Liabilities" means liabilities of each of Advantage and Styles Estates, on a combined basis after any appropriate adjustment for intercompany accounts, as of the Effective

Date, calculated in accordance with GAAP, but excluding therefrom those accounts referred to by Advantage and Styles Estates as Advanced Deposits, Due to Owners or AP- Owners and A/P on Behalf of Owners, if any, in an amount not to exceed the cumulative amount of Deposits related thereto and deducted in calculating Adjusted Assets.

"Deposits" means each and all of the following: (a) the aggregate monetary deposits received by Advantage and Styles Estates from clients or customers (collectively "Clients") to secure such persons' obligations with respect to future rentals, purchases or equivalent or related obligations, (b) without duplication, the aggregate amount of all deposits for damage, cleaning, telephone charges and similar amounts received from Clients as security for such expenses and (c) Restricted Cash.

"EBIT" for any period shall be an amount equal to the sum of the following: net income before taxes **plus** interest expense, calculated in accordance with GAAP.

"Restricted Cash" means the aggregate amount of all money, funds or other property not constituting Deposits which is held in escrow by either Advantage and Styles Estates, or which either Advantage or Styles Estates holds as agent or trustee, for the benefit of any other person.

"Year 1" means the trailing twelve-month period ending on June 30, 2000.

"Year 2" means the trailing twelve-month period ending on June 30, 2001.

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "AVH MERGER CO.", CHANGING ITS NAME FROM "AVH MERGER CO." TO "ADVANTAGE VACATION HOMES BY STYLES, INC.", FILED IN THIS OFFICE ON THE TENTH DAY OF AUGUST, A.D. 1999, AT 11 O'CLOCK A.M.

Edward J. Freel, Secretary of State

3078155 8100

991334030

AUTHENTICATION: 9916547

DATE: 08-11-99

8-10-99

Certificate of Amendment
to the
Certificate of Incorporation
of
AVH MERGER CO.

AVH Merger Co., a corporation duly organized and existing under and by virtue of the Delaware General Corporation Law (the "Company"), does hereby certify that:

1. The amendment to the Company's Certificate of Incorporation, set forth below, was duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law. By written consent in lieu of a meeting, the Board of Directors of the Company, duly adopted resolutions setting forth a proposed amendment to the Certificate of Incorporation of the Company, declaring the amendment to be advisable and recommending the approval of such amendment by the sole stockholder of the Company.

2. Article I of the Company's Certificate of Incorporation shall be amended as follows:

   The name of the Corporation is Advantage Vacation Homes by Styles, Inc.

3. That thereafter, pursuant to a resolution of the Board of Directors and in accordance with Section 228 of Delaware General Corporation Law, the sole stockholder approved the foregoing amendment by written consent.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed by John K. Lines, its President, on this 6th day of August, 1999.

John K. Lines
President