

Division of Corporations

Page 1 of 2

F99000005467

Florida Department of State
Division of Corporations
Public Access System
Katherine Harris, Secretary of State

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H99000027691 7)))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850)922-4000

From:

Account Name : SHUMAKER, LOOP & KENDRICK LLP
Account Number : 075500004387
Phone : (813)229-7600
Fax Number : (813)229-1660

87012

MERGER OR SHARE EXCHANGE

NEWHOMES.COM OF DELAWARE, INC.

Certificate of Status	1
Certified Copy	0
Page Count	25
Estimated Charge	\$78.75

RECEIVED
99 NOV -2 PM 3:12
DIVISION OF CORPORATIONS

FILED
99 NOV -2 PM 5:02
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Merger
11-3-99
DC

<https://ccfss1.dos.state.fl.us/scripts/efilcovr.exe>

11/1/1999

Bar No.: 0940380

ARTICLES OF MERGER
Merger Sheet

MERGING:

NHA REALTY, INC., a Florida corporation, P94000087406

INTO

NEWHOMES.COM OF DELAWARE, INC., a Delaware entity, F99000005467

File date: November 2, 1999

Corporate Specialist: Darlene Connell

Fax Audit No.: (((H99000027691 7)))

**STATE OF FLORIDA
ARTICLES OF MERGER
OF
NHA REALTY, INC.
a Florida corporation**

INTO

**NEWHOMES.COM, INC.
a Delaware corporation**

Pursuant to Florida Statutes Section 607.1105 entitled "Merger," the undersigned corporations adopt the following Articles of Merger:

FIRST: The Plan of Merger ("Plan of Merger") attached hereto as Exhibit A was adopted by the board of directors and shareholders of NHA Realty, Inc., a Florida corporation (the "Merged Corporation"), on October 31, 1999. The Plan of Merger was adopted by the Board of Directors and stockholders of NewHomes.Com, Inc., a Delaware corporation (the "Surviving Corporation"), on October 22, 1999.

SECOND: The Effective Date and Time of these Articles of Merger shall be the date these Articles of Merger are filed with the State of Florida in accordance with Florida Statutes Chapter 607.

THIRD: At the Effective Date, the following actions will occur in accordance with the Plan of Merger:

- a. The Merged Corporation shall be merged with and into the Surviving Corporation (hereinafter, the "Merger").
- b. The Certificate of Incorporation and Bylaws of the Surviving Corporation as in effect immediately prior to the Effective Date shall thereafter continue in full force and effect as the Certificate of Incorporation and Bylaws of the Surviving Corporation until altered or amended as provided therein or by law.
- c. The currently issued and outstanding shares of common stock of the Surviving Corporation owned by its stockholders immediately prior to the Merger shall remain as the issued and outstanding common stock of the Surviving Corporation after the Merger.
- d. All of the shares of common stock of the Merged Corporation issued and outstanding immediately prior to the Effective Date shall automatically be converted into such number of shares of the Surviving Corporation as set forth in the attached Plan of Merger.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

FILED
99 NOV -2 PM 5:02
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Fax Audit No.: (((H990000276917)))

FOURTH: The Merger is permitted by the laws of the state in which each foreign constituent corporation is incorporated and each foreign constituent corporation has complied with that law in effecting the Merger.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Merger this 31st day of October, 1999.

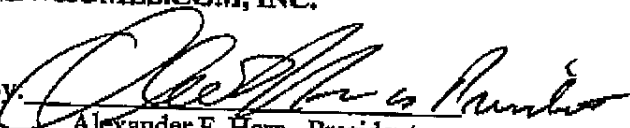
MERGED CORPORATION:

NHA REALTY, INC.

By: 
Richard J. Davis, President

SURVIVING CORPORATION:

NEWHOMES.COM, INC.

By: 
Alexander F. Hern, President

Fax Audit No.: (((H99000027691 7)))

EXHIBIT "A"

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") is made effective as of this 31st day of October, 1999, by and between NHA REALTY, INC., a Florida corporation ("NHA"), RICHARD DAVIS, the controlling shareholder of NHA ("Davis" or the "NHA Controlling Shareholder") and NEWHOMES.COM, a Delaware corporation ("NewHomes" or the "Surviving Corporation" and collectively with NHA, the "Corporations"), with NHA merging with and into NewHomes, such that the separate existence of NHA shall cease and NewHomes shall continue as the surviving corporation (the "Merger").

WHEREAS, the Board of Directors and the shareholders of NHA (the "NHA Shareholders") and the Board of Directors and the stockholders of NewHomes (the "NewHomes Stockholders") deem it advisable and in the best interests of the Corporations and shareholders or stockholders, as the case may be, to merge the Corporations; and

WHEREAS, it is the intention of the parties hereto that the Merger shall constitute a tax-free reorganization, as defined in Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, and that this Agreement and Plan of Merger shall also constitute a Plan of Reorganization.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for the purpose of the Merger and prescribing certain terms and conditions of the Merger and the mode of carrying same into effect, the parties hereto agree as follows:

ARTICLE I

1.1 The Merger. Upon the terms and subject to the conditions hereof, and in accordance with the relevant provisions of the Florida Business Corporation Act, as amended ("FBCA"), and the General Corporation Law of the State of Delaware ("DGCL"), NHA shall be merged with and into NewHomes. Following the Merger, NewHomes shall continue as the surviving corporation and shall continue its existence under the laws of the State of Delaware, and the separate corporate existence of NHA shall cease.

1.2 The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Shumaker, Loop & Kendrick, LLP in Tampa, Florida on October 31, 1999 or such other date as the parties may mutually determine (the "Closing Date").

1.3 Effective Date and Effective Time. The Merger shall be consummated by filing with the Secretary of State of the State of Delaware a Certificate of Merger in accordance with the provisions of the DGCL and Articles of Merger with the Secretary of State of the State of Florida in accordance with the provisions of the FBCA and the conversion of the shares of common

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

stock of NHA into shares of stock of NewHomes as contemplated by this Agreement. The Merger shall have the effects set forth in the FBCA and DGCL. The Merger shall be effective immediately upon the later of the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and the filing of the Articles of merger with the Secretary of State of the State of Florida (the date and time of filing being referenced to herein as the "Effective Date" and the "Effective Time," respectively).

1.4 Rights and Duties of NewHomes as the Surviving Corporation. At the Effective Time, the Surviving Corporation shall thereupon and thereafter possess all the rights, privileges, powers and franchises of a public as well as of a private nature, of each of the Corporations, and be subject to all the restrictions, disabilities and duties of each of the Corporations so merged; and all of the rights, privileges, powers and franchises of each of the Corporations, and all property, real, personal and mixed, and all debts due to either of the Corporations on whatever account, as well for stock subscriptions and all options or warrants for stock of either Corporation, shall be vested in the Surviving Corporation; and all property, rights, privileges, powers and franchises and all and every other interest shall be thereafter the property of the Surviving Corporation as they were of the Corporations; and the title to any real estate, vested by deed or otherwise, under the laws of the State of Florida or the State of Delaware or otherwise, in either of the Corporations, shall not revert or in any way be impaired by reason of the Merger; provided, that all debts, liabilities and duties of the Corporations, and all rights of creditors and all liens upon any property of either of the Corporations shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

1.5 Certificate of Incorporation; Bylaws. The Certificate of Incorporation and By-Laws of NewHomes, as in effect immediately prior to the Effective Time, shall be the Certificate of Incorporation and By-Laws of the Surviving Corporation until thereafter amended as provided by law.

1.6 Directors. The directors of NewHomes immediately prior to the Effective Time shall be the directors of the Surviving Corporation and will hold office from the Effective Time until their respective successors are duly elected and qualified in the manner provided in the Certificate of Incorporation and By-Laws of the Surviving Corporation, or as otherwise provided by law.

1.7 Officers. The officers of NewHomes immediately prior to the Effective Time shall be the officers of the Surviving Corporation and will hold office from the Effective Time until their respective successors are duly elected or appointed in the manner provided in the By-Laws of the Surviving Corporation or as otherwise provided by law.

Fax Audit No.: (((H99000027691 7)))

1.8 Conversion or Cancellation of Shares. At the Effective Time, each share of common stock of NHA issued and outstanding immediately prior to the Merger shall be converted into such number of shares of common stock, par value \$.0001 per share ("Common Stock") and such number of shares of Series A preferred stock, par value \$.0001 per share (the "Series A Preferred Stock" and jointly with the Common Stock, the "Merger Consideration"), of the Surviving Corporation as is set forth in Exhibit 1.8 hereto, a copy of which is attached hereto and made a part hereof. Each share of Series A Preferred Stock shall be convertible into one share of Common Stock upon certain events and shall entitle the holder thereof to one vote on all matters upon which the Common Stock is entitled to vote. After the Effective Time, each holder of an outstanding certificate or certificates representing shares of common of NHA immediately prior to the Effective Time shall surrender same to the Surviving Corporation and shall receive, in exchange therefor, a certificate or certificates representing the appropriate number of shares of Common Stock and Series A Preferred Stock in the Surviving Corporation. Until so surrendered, each stock certificate shall, by virtue of the Merger, be deemed for all purposes to evidence ownership of the appropriate number of shares of the Surviving Corporation. Shareholders and stockholders who vote against the Merger shall have all the rights, if any, accorded such parties under the FBCA and DGCL, respectively.

ARTICLE II

2.1 Representations and Warranties of NHA and the NHA Controlling Shareholder.

Each of NHA and the NHA Controlling Shareholder represents and warrants to NewHomes that the statements contained in this Article II are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date except as set forth in the corresponding disclosure schedule accompanying this Agreement and initialed by the parties (the "Disclosure Schedule"), a copy of which is attached hereto and made a part hereof; provided, however, that in consideration of the Merger Consideration, the NHA Controlling Shareholder does for himself, and his respective successors and assigns, hereby forever waive any right of subrogation which he has or may have against NHA with respect to the representations, warranties and covenants made jointly and severally by each of NHA and the NHA Controlling Shareholder pursuant to this Section 2.1.; and provided further that the NHA Controlling Shareholder waives any right to proceed against NHA, now or hereafter, for contribution, indemnity, reimbursement and any other suretyship rights and claims, whether direct or indirect, liquidated or contingent, which he may now have or hereafter have as against NHA with respect to each of the representations, warranties and covenants set forth in this Section 2.1.

(a) **Existence.** NHA is now, and on the Closing Date will be, a corporation, organized and existing and in good standing under the laws of the state of its incorporation and has the requisite power and authority to own or lease its properties and to carry on its business as now being conducted.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

(b) **Power and Authority.** NHA and the NHA Controlling Shareholder each have the power, legal capacity and authority to enter into, and perform its/his respective obligations under, this Agreement and each other agreement, document and instrument to be executed and delivered by NHA or the NHA Controlling Shareholder in connection herewith (collectively, the "Related Agreements"). NHA has taken all action necessary to authorize the execution and delivery of this Agreement and the Related Agreements, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby.

(c) **Enforceability.** This Agreement has been duly authorized, executed and delivered by each of NHA and the NHA Controlling Shareholder and constitutes the legal, valid and binding obligation of each, enforceable respectively against them in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) **Ownership Interest** Schedule 2.1(d), a copy of which is attached hereto and made a part hereof, sets forth, as of the date hereof, with respect to NHA, the number of authorized, issued and outstanding shares of each class of its capital stock held by the NHA Shareholders. All of the issued and outstanding shares of capital stock of NHA (i) have been duly authorized and validly issued and are fully paid and non-assessable, and (ii) were not issued in violation of any preemptive rights or rights of first refusal or similar rights. No preemptive rights or rights of first refusal or similar rights exist with respect to any shares of capital stock owned by the NHA Shareholders and no such rights arise by virtue of or in connection with the transactions contemplated hereby. The NHA Shareholders constitute all the record and beneficial holders of all issued and outstanding capital stock of NHA and the NHA Shareholders own such shares as set forth on Schedule 2.1(d), free and clear of all Liens, restrictions (other than restrictions under the Securities Act of 1933, as amended (the "Act") or state securities laws) and claims of any kind. Except as set forth on Schedule 2.1(d) hereto, the NHA Shareholders are not a party to any outstanding or authorized rights, options, warrants, convertible securities, subscription rights, conversion rights, exchange rights or other agreements or commitments of any kind that could require them to sell, transfer or otherwise dispose of any capital stock of NHA. In addition, there are no proxies, voting rights or other agreements or understandings with respect to the voting or transfer of the capital stock of NHA.

(e) **No Violation.** The execution and delivery of this Agreement and the Related Agreements by the NHA Controlling Shareholder and NHA, the performance by NHA and the NHA Controlling Shareholder of their respective obligations hereunder and thereunder and the consummation by them of the transactions contemplated hereby and thereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other organizational or governing document of NHA, or (b) to the knowledge of NHA and the NHA Controlling

Fax Audit No.: (((H99000027691 7)))

Julio C. Esquivel, Esquire

Shumaker, Loop & Kendrick, LLP

101 East Kennedy Avenue, Suite 2800

Tampa, Florida 33602

813/227-2325

Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

Shareholder, (i) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or order of any governmental authority or of any arbitration award which is either applicable to, binding upon or enforceable against NHA, (ii) conflict with, result in any breach of, or constitute a default under, or give rise to a right of payment under or the right to terminate, amend, modify, abandon or accelerate, any contract which is applicable to, binding upon or enforceable against NHA, (iii) result in or require the creation or imposition of any lien upon or with respect to any of the properties or assets of NHA, and (iv) require the consent, approval, authorization or permit of, or filing with or notification to, any governmental authority, any court or tribunal or any other person, except where the violation, conflict, breach, default, acceleration, termination, amendment, modification, abandonment, or lien would not have a adverse effect on NHA taken as a whole or on the ability of the parties to consummate the transactions contemplated by this Agreement.

(f) **Records of the Company.** The copies of the Articles of Incorporation, Bylaws and other documents and agreements of NHA which were provided to NewHomes are true, accurate, and complete and reflect all amendments made through the date of this Agreement and through the Closing Date. The minute books and other records of corporate actions for NHA made available to NewHomes for review were correct and complete as of the date of such review, and such minute books and records contain an accurate record of all corporate actions of the NHA Shareholders and directors (and any committees thereof) of NHA taken by written consent or at a meeting or otherwise since incorporation or formation. The share ledger of NHA, as previously made available to NewHomes, contains accurate and complete records of all issuances, transfers and cancellations of shares of the capital stock of NHA.

(g) **Subsidiaries.** NHA does not own any outstanding voting securities of or other interests in any other corporation, partnership, joint venture or other entity.

(h) **Financial Statements.** NHA has delivered to NewHomes, internally prepared, unaudited financial statements of NHA for the period ended December 31, 1998 and the nine month period ended September 30, 1999 (the "Financial Statements"). The balance sheet of NHA, dated as of December 31, 1998, included in the Financial Statements is referred to herein as the "Current Balance Sheet." The Financial Statements fairly present the financial position of NHA at the balance sheet date and the results of operations for the period covered thereby.

(i) **Changes Since Date of Current Balance Sheet.** Other than as set forth on Schedule 2.1(i), a copy of which is attached hereto and made a part hereof, since the date of the Current Balance Sheet, there has not been any material adverse change in the financial condition of NHA taken as a whole. Without limiting the generality of the foregoing, other than as set forth on Schedule 2.1(i), since that date NHA has not engaged in any practice, taken any action, or entered into any transaction outside the ordinary course of business the primary purpose or effect of which has been to generate or preserve cash.

Fax Audit No.: (((H99000027691 7)))

Julio C. Esquivel, Esquire

Shumaker, Loop & Kendrick, LLP

101 East Kennedy Avenue, Suite 2800

Tampa, Florida 33602

813/227-2325

Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

(j) **Real Property and Leaseholds.** To the knowledge of NHA, the leasehold interests of NHA in all real property leased or subleased to or on behalf of NHA are free and clear of any mortgages, claims, liens, restrictions or encumbrances which would, individually or in the aggregate, adversely affect the value of such interests to NHA and the ability of NHA to carry on its activities conducted at such leased premises. NHA has received no notice that there is any violation or noncompliance of any restrictions or easements existing with respect to such properties.

(k) **Title to Assets; Operation of Computer Applications.**

(i) NHA holds good and marketable title to all of its Assets, other than those Assets which are leased by NHA, free and clear of liens, pledges, charges, or encumbrances of third parties. For purposes of this Agreement, the term "Assets" means all material properties and assets of any nature owned or leased by NHA.

(ii) The Fixed Assets currently in use are in good operating condition, normal wear and tear excepted. For purposes of this Agreement, the term "Fixed Assets" means all vehicles, machinery, equipment, tools, supplies, leasehold improvements, furniture and fixtures, owned, leased or used by or located on the premises of NHA.

(iii) NHA holds valid and enforceable intellectual property rights to the Computer Products that may be asserted, and to NHA's knowledge are sufficient, to prevent any third party other than NHA from reproducing, transmitting, distributing, selling, licensing, leasing or otherwise conveying or exploiting for commercial purposes, or preparing derivative works of, the source code or object code contained in the Computer Products. The term "Computer Products" means all computer program materials, software and hardware, which are a part of the Assets of NHA. The Computer Products do not contain any copyrighted material, including source code or portions of source code, created by any third party other than past or current employees of, or consultants to, NHA or the NHA Shareholders ("Contributors"). None of the Contributors has any valid claim to ownership or joint ownership of any copyright in or to any portion of the Assets.

(iv) The Computer Products will functionally perform and operate as of the Closing Date and thereafter, including without limitation the ability to operate accurately for "Year 2000" purposes, substantially in accordance with the written representations, specifications and materials with respect thereto provided by NHA and/or the NHA Controlling Shareholder to NewHomes on or prior to the Closing Date. As of the Closing Date, the Computer Products do not contain any virus or other design defect or any time, clock, counter, or other design or routine intended to limit access to or usage of the Computer Products.

Fax Audit No.: (((H99000027691 7)))

Julio C. Esquivel, Esquire

Shumaker, Loop & Kendrick, LLP

101 East Kennedy Avenue, Suite 2800

Tampa, Florida 33602

813/227-2325

Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

(l) **Intellectual Property.** Schedule 2.1(l), a copy of which is attached hereto and made a part hereof, attached hereto lists all trademarks, trade names, copyrights, patents, trade secrets, licenses, domain names and other intellectual property used in the conduct of NHA's business (the "Intellectual Property"). To the knowledge of NHA, NHA has the legal right, title and interest in and to the Intellectual Property. To the knowledge of the NHA, the conduct of the business of NHA as presently conducted, and the unrestricted conduct and the unrestricted use and exploitation of the Intellectual Property, does not infringe or misappropriate any rights held or asserted by any Person. No licensing fee or payments are required for the continued use of the Intellectual Property. To the knowledge of the NHA, none of the Intellectual Property is the subject of any pending or threatened action for opposition, cancellation, declaration, infringement, or invalidity, unenforceability or misappropriation or like claim, action or proceeding.

(m) **Labor Agreements and Disputes.** NHA is neither a party to, nor otherwise subject to any collective bargaining or other agreement governing the wages, hours, and terms of employment of NHA's employees. Neither NHA nor the NHA Controlling Shareholder is aware of any labor dispute or labor trouble involving employees of NHA.

(n) **Employee Benefits.** NHA does not maintain and is not required to make any contributions, and has no outstanding obligation to make any contribution, to any pension, profit-sharing, retirement, deferred compensation or other such plan or arrangement for the benefit of any employee, former employee or other person, and NHA does not have any obligations with respect to deferred compensation or future benefits to any past or present employee.

(o) **Tax Matters.** NHA has, to the date hereof, timely filed all tax reports and tax returns required to be filed by NHA, and NHA has paid all taxes, assessments and other impositions as and to the extent required by applicable law. All federal, state and local income, franchise, sales, use, property, excise, payroll withholding and other taxes (including interest and penalties and including estimated tax installments where required to be filed and paid) due from or with respect to NHA as of the date hereof have been fully paid, and all taxes and other assessments and levies which NHA is required by law to withhold or to collect have been duly withheld and levies which NHA is required by law to withhold or to collect have been duly withheld and collected and have been paid over to the proper governmental authorities to the extent due and payable. There are no outstanding or pending claims, deficiencies or assessments for taxes, interest or penalties with respect to any taxable period of the NHA.

(p) **Licenses and Permits.** NHA possesses all licenses and required governmental or official approvals, permits or authorizations (collectively, the "Permits") for its business and operations. To the knowledge of NHA, all such Permits are valid and in full force

Fax Audit No.: (((H99000027691 7)))

and effect, NHA is in compliance with the respective requirements thereof, and no proceeding is pending or threatened to revoke or amend any of them.

(q) **Contracts.** Schedule 2.1(q), a copy of which is attached hereto and made a part hereof, lists all written contracts and other written agreements to which NHA is a party the performance of which will involve consideration in excess of \$10,000 ("Material Contracts"). The NHA has made available to NewHomes a copy of each contract or other agreement listed in Schedule 2.1(q) (as amended to date).

(r) **Compliance With Laws.** To NHA's and the NHA Controlling Shareholder's knowledge, NHA is in compliance in all respects with all federal, state and local laws, regulations and ordinances and all order, judgments and decrees of any court or governmental authority applicable to, binding upon or affecting any of the Assets or any aspect of NHA's business.

(s) **Litigation.** NHA and the NHA Controlling Shareholder have no knowledge of any claim, litigation, proceeding, or investigation pending or threatened against NHA that might result in any adverse change in NHA's business or condition of Assets.

(t) **Accurate and True Information.** The originals or copies of contracts, leases, agreements and all other documents or papers, including NHA's financial statements and other information, which have or will be furnished to NewHomes for examination are or will be genuine, complete and accurate in all material respects.

(u) **Accuracy of Representations and Warranties.** None of the representations or warranties of NHA or the NHA Controlling Shareholder contain or will contain any untrue statement of a material fact or omit or will omit or misstate a material fact necessary in order to make statements in this Agreement not misleading. NHA and the NHA Controlling Shareholder know of no fact that has resulted, or that in the reasonable judgment of NHA and the NHA Controlling Shareholder will result, in a material change in the business or operations of NHA that has not been set forth in this Agreement or otherwise disclosed to NewHomes on the Schedules and Exhibits attached hereto.

(v) **Warranties and Warranty Claims.** Other than as set forth in the agreements listed on Schedule 2.1(v), a copy of which is attached hereto and made a part hereof, NHA has not made any written or other binding warranty or representation with respect to any of its products, or any product that embodies or utilizes any of it or them. All pending warranty claims by NHA's customers with respect to its products or services are described on Schedule 2.1(v) attached hereto. NHA has heretofore provided NewHomes with access to a complete copy of all unresolved written customer complaints and all written summaries of those oral customer complaints in NHA's possession relating to its products or services and any products not

Fax Audit No.: (((H99000027691 7)))

currently sold by NHA's business but as to which ongoing service or support is provided by NHA's business.

(x) **Investment Intent; Accredited Investor Status.** The NHA Shareholders (i) have had the opportunity to ask questions concerning NewHomes and all such questions posed have been answered to their satisfaction; (ii) have been given the opportunity to obtain any additional information they deem necessary to verify the accuracy of any information obtained concerning NewHomes; and (iii) have such knowledge and experience in financial and business matters that they are able to evaluate the merits and risks of acquiring the Common Stock and Series A Preferred Stock and to make an informed investment decision relating thereto. The NHA Shareholders' opportunity to so investigate NewHomes and information obtained therefrom shall not affect NewHomes or any NewHomes representations and warranties set forth in this Agreement. The NHA Shareholders are "accredited investors" within the meaning of Regulation D promulgated under the Act. Each NHA Shareholder can bear the economic risk of losing his investment in Common Stock and has adequate means for providing for his current financial needs and contingencies.

(y) **Disclaimer of Other Representations and Warranties.** Except as expressly set forth in this Article II, the NHA Controlling Shareholder and NHA make no representation or warranty, express or implied, at law or in equity, in respect of NHA, or any of its respective assets, liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed.

ARTICLE III

3.1 **Representations and Warranties of the NewHomes.** NewHomes represents and warrants to NHA and the NHA Controlling Shareholder that the statements contained in this Article III are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date except as set forth in the corresponding Disclosure Schedule, a copy of which is attached hereto and made a part hereof.

(a) **Existence.** NewHomes is now, and on the Closing Date will be, a corporation, organized and existing and in good standing under the laws of the state of Delaware and has the requisite power and authority to own or lease its properties and to carry on its business as now being conducted. NewHomes was incorporated in the State of Delaware on September 17, 1999.

(b) **Liabilities.** NewHomes has incurred no liabilities (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or

Fax Audit No.: (((H99000027691 7)))

unaccrued, whether liquidated or unliquidated, and whether due or to become due) other than expenses related to its incorporation, has conducted no business or operations and has not had any employees, and has no assets other than cash.

(c) **Cash.** Upon the closing of the Merger contemplated hereby, NewHomes will have unrestricted and nonrefundable cash in the amount of not less than two million dollars (\$2,000,000), which cash represents the contemplated proceeds of NewHomes' private placement offering of Series B Convertible Preferred Stock, such offering to close simultaneously with the closing of the Merger contemplated hereby.

(d) **Brokers' Fees.** NewHomes does not have any liability or obligation to pay any fees or commissions to any broker, finder, or other agent with respect to the transactions contemplated by this Agreement for which NHA could become liable or obligated.

(e) **Power and Authority.** NewHomes has the power, legal capacity and authority to enter into, and perform its obligations under, this Agreement and the Related Agreements. NewHomes has taken all action necessary to authorize the execution and delivery of this Agreement and the Related Agreements, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby.

(f) **Enforceability.** This Agreement has been duly authorized, executed and delivered by NewHomes and constitutes the legal, valid and binding obligation of NewHomes, enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity.

(g) **Ownership Interest.** The entire authorized capital stock of NewHomes consists of 55,000,000 shares of Common Stock, of which 28,200,000 shares are issued and outstanding, and 15,000,000 shares of Preferred Stock, of which no shares are issued and outstanding. All of the shares of NewHomes to be issued in the Merger have been duly authorized and, upon consummation of the Merger, will be validly issued, fully paid, and nonassessable. Schedule 3.1(g), a copy of which is attached hereto and made a part hereof, sets forth, as of the date hereof, with respect to NewHomes, the number of authorized, issued and outstanding shares of each class of its capital stock held by the NewHomes Stockholders. All of the issued and outstanding shares of capital stock of NewHomes (i) have been duly authorized and validly issued and are fully paid and non-assessable, and (ii) were not issued in violation of any preemptive rights or rights of first refusal or similar rights. No preemptive rights or rights of first refusal or similar rights exist with respect to any shares of capital stock owned by the NewHomes Stockholders and no such rights arise by virtue of or in connection with the transactions contemplated hereby. The NewHomes Stockholders constitute all the record and beneficial holders of all issued and outstanding capital stock of NewHomes and the NewHomes

Fax Audit No.: (((H99000027691 7)))

Stockholders own such shares as set forth on **Schedule 3.1(g)**, free and clear of all Liens, restrictions (other than restrictions under the Act or state securities laws) and claims of any kind. Except as set forth on **Schedule 3.1(g)** hereto, the NewHomes Stockholders are not a party to any outstanding or authorized rights, options, warrants, convertible securities, subscription rights, conversion rights, exchange rights or other agreements or commitments of any kind that could require them to sell, transfer or otherwise dispose of any capital stock of NewHomes. In addition, there are no proxies, voting rights or other agreements or understandings with respect to the voting or transfer of the capital stock of NewHomes.

(h) **No Violation.** The execution and delivery of this Agreement and the Related Agreements by NewHomes, the performance by NewHomes of its obligations hereunder and thereunder and the consummation by it of the transactions contemplated hereby and thereby will not (a) violate any provision of the Certificate of Incorporation, Bylaws or other organizational or governing document of NewHomes, or (b) to the knowledge of NewHomes, (i) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or order of any governmental authority or of any arbitration award which is either applicable to, binding upon or enforceable against NewHomes, (ii) conflict with, result in any breach of, or constitute a default under, or give rise to a right of payment under or the right to terminate, amend, modify, abandon or accelerate, any contract which is applicable to, binding upon or enforceable against NewHomes, (iii) result in or require the creation or imposition of any lien upon or with respect to any of the properties or assets of NewHomes, and (iv) require the consent, approval, authorization or permit of, or filing with or notification to, any governmental authority, any court or tribunal or any other person, except where the violation, conflict, breach, default, acceleration, termination, amendment, modification, abandonment, or lien would not have a material adverse effect on NewHomes taken as a whole or on the ability of the parties to consummate the transactions contemplated by this Agreement.

(i) **Records of the Company.** The copies of the Certificate of Incorporation, Bylaws and other documents and agreements of NewHomes which were provided to NHA and the NHA Controlling Shareholder are true, accurate, and complete and reflect all amendments made through the date of this Agreement and through the Closing Date. The minute books and other records of corporate actions for NewHomes made available to NHA and the NHA Controlling Shareholder for review were correct and complete as of the date of such review, and such minute books and records contain an accurate record of all material corporate actions of the NewHomes Stockholders and directors (and any committees thereof) of NewHomes taken by written consent or at a meeting or otherwise since incorporation or formation. The share ledger of NewHomes, as previously made available to NHA and the NHA Controlling Shareholder, contains accurate and complete records of all issuances, transfers and cancellations of shares of the capital stock of NewHomes.

(j) **Subsidiaries.** NewHomes does not own any outstanding voting securities of or other interests in any other corporation, partnership, joint venture or other entity.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

(k) **Labor Agreements and Disputes.** NewHomes is neither a party to, nor otherwise subject to any collective bargaining or other agreement governing the wages, hours, and terms of employment of NewHomes's employees. NewHomes is not aware of any labor dispute or labor trouble involving employees of NewHomes.

(l) **Employee Benefits.** NewHomes does not maintain and is not required to make any contributions, and has no outstanding obligation to make any contribution, to any pension, profit-sharing, retirement, deferred compensation or other such plan or arrangement for the benefit of any employee, former employee or other person, and NewHomes does not have any obligations with respect to deferred compensation or future benefits to any past or present employee.

(m) **Licenses and Permits.** NewHomes possesses all material licenses and required governmental or official approvals, permits or authorizations for its business and operations. To the knowledge of NewHomes, all such permits are valid and in full force and effect, NewHomes is in compliance with the respective requirements thereof, and no proceeding is pending or threatened to revoke or amend any of them.

(n) **Contracts.** Schedule 3.1(n), a copy of which is attached hereto and made a part hereof, lists all written contracts and other written agreements to which NewHomes is a party, the performance of which will involve consideration in excess of \$10,000. NewHomes has made available to NHA and the NHA Controlling Shareholder a copy of each contract or other agreement listed in Schedule 3.1(n) (as amended to date).

(o) **Compliance With Laws.** To NewHomes's knowledge, NewHomes is in compliance in all material respects with all federal, state and local laws, regulations and ordinances and all order, judgments and decrees of any court or governmental authority applicable to, binding upon or affecting any of its assets or any aspect of NewHomes's business.

(p) **Litigation.** NewHomes has no knowledge of any claim, litigation, proceeding, or investigation pending or threatened against NewHomes that might result in any material adverse change in NewHomes's business or condition of Assets.

(q) **Accurate and True Information.** The originals or copies of contracts, leases, agreements and all other documents or papers, including NewHomes's financial statements and other information, which have or will be furnished to NewHomes for examination are or will be genuine, complete and accurate in all material respects.

(r) **Accuracy of Representations and Warranties.** None of the representations or warranties of NewHomes contain or will contain any untrue statement of a material fact or omit or will omit or misstate a material fact necessary in order to make

Fax Audit No.: (((H99000027691 7)))

Julio C. Esquivel, Esquire

Shumaker, Loop & Kendrick, LLP

101 East Kennedy Avenue, Suite 2800

Tampa, Florida 33602

813/227-2325

Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

statements in this Agreement not misleading. NewHomes knows of no fact that has resulted, or that in the reasonable judgment of NewHomes will result, in a material change in the business or operations of NewHomes that has not been set forth in this Agreement or otherwise disclosed to NHA and the NHA Controlling Shareholder on the Schedules and Exhibits attached hereto.

(s) **Warranties and Warranty Claims.** Other than as set forth in the agreements listed on **Schedule 3.1(s)**, a copy of which is attached hereto and made a part hereof, NewHomes has not made any written or other binding warranty or representation with respect to any of its products, or any product that embodies or utilizes any of it or them. All pending warranty claims by NewHomes's customers with respect to its products or services are described on **Schedule 3.1(s)** attached hereto. NewHomes has heretofore provided NHA and the NHA Controlling Shareholder with access to a complete copy of all unresolved written customer complaints and all written summaries of those oral customer complaints in NewHomes's possession relating to its products or services and any products not currently sold by NewHomes's business but as to which ongoing service or support is provided by NewHomes's business.

(t) **Compliance with Securities Laws.** NewHomes has complied with all applicable securities laws, statutes, regulations and rules in connection with the issuance of its securities.

(u) **Disclaimer of Other Representations and Warranties.** Except as expressly set forth in this Article III, NewHomes make no representation or warranty, express or implied, at law or in equity, in respect of NewHomes, or any of its respective assets, liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed.

ARTICLE IV

4.1 Conditions to Obligation of NHA and the NHA Controlling Shareholder. The obligation of each of NHA and the NHA Controlling Shareholder to consummate the transactions contemplated by this Agreement is subject to satisfaction of the following conditions on or before the Closing Date (unless waived in writing by NHA and the NHA Controlling Shareholder):

(a) The representations and warranties of NewHomes set forth in this Agreement shall be true and correct in all material respects at and as of the Closing Date.

(b) Between the date hereof and the Closing Date, (A) there shall have been no material adverse change in the financial condition, business or operations of NewHomes, and (B) none of the assets of NewHomes shall have been damaged by fire, flood, casualty, act of God or the

Fax-Audit No.: (((H99000027691 7)))

public enemy or other cause (regardless of insurance coverage for such damage) which damages shall have a material adverse effect on NewHomes.

(c) NHA shall have received a certificate from NewHomes signed by a duly authorized officer of NewHomes to the effect that each of the conditions specified in Section (a) and (b) of this Section 4.1 is satisfied in all respects.

(d) NHA shall have received from NewHomes (i) state-certified copies of the Certificate of Incorporation of NewHomes and copies of the Bylaws of NewHomes as in effect immediately prior to the Closing Date, and (ii) copies of resolutions adopted by NewHomes' (A) Board of Directors, and (B) Shareholders, authorizing the transactions contemplated by this Agreement, and all of such documents as to NewHomes shall be certified as of the Closing Date by a duly authorized officer of NewHomes as being true, correct and complete.

(e) NHA shall have completed due diligence of NewHomes to its satisfaction;

(f) NHA shall have received an executed Shareholders Agreement among the NewHomes Stockholders, the NHA Shareholders, and NewHomes in form acceptable to NHA.

(g) NHA shall have received an executed consulting agreement between Strategic Acquisition Ventures, Ltd. and NewHomes (the "Consulting Agreement"), in form acceptable to NHA;

(h) NHA shall have received an executed executive employment agreement between NewHomes and Richard J. Davis (the "Davis Employment Agreement"), in form acceptable to the NHA Controlling Shareholder;

(i) NHA shall have received an executed non-competition agreement from Alexander Hern, in form acceptable to NHA;

(j) NewHomes shall have completed a private placement offering of Series B Convertible Preferred Stock on terms and conditions acceptable to NHA;

(k) NHA shall have assigned to its shareholders all accounts receivable, contract rights, pending house closings, cash equivalents (bank accounts, etc.) and cash on hand.

(l) NewHomes and the NHA Shareholders shall have entered into a registration rights agreement (the "Registration Rights Agreement") in a form acceptable to the NHA Shareholders.

(m) NHA and the NHA Controlling Shareholder shall have received from NewHomes a certificate of legal existence of NewHomes issued by the Secretary of State of the

Fax Audit No.: (((H99000027691 7)))

Julio C. Esquivel, Esquire

Shumaker, Loop & Kendrick, LLP

101 East Kennedy Avenue, Suite 2800

Tampa, Florida 33602

813/227-2325

Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

State of Delaware and each other state in which NewHomes is qualified to do business as of a date not more than 10 days prior to the Closing Date,

(n) NewHomes shall have received all authorizations, consents and approvals to the Merger and other transactions contemplated hereby and waivers of rights to terminate or modify any material rights or obligations of NewHomes from any person from whom such consent or waiver is required under any material contract and from any governmental or other regulatory agency or authority, except where the failure to obtain such consent or waiver shall not have a material adverse effect of NewHomes.

(o) There shall not be pending or threatened any action or proceeding by or before any court or other governmental body which shall seek to restrain, prohibit, invalidate or collect damages arising out of the Merger or other transactions hereunder, and which, in the reasonable judgment of NHA or the NHA Controlling Shareholder, makes it inadvisable to proceed with the transactions contemplated hereby.

4.2 Conditions to Obligation of NewHomes. The obligation of NewHomes to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions on or before the Closing Date (unless waived in writing by NewHomes):

(a) The representations and warranties of NHA and the NHA Controlling Shareholder set forth in this Agreement shall be true and correct in all material respects at and as of the Closing Date.

(b) Between September 30, 1999 and the Closing Date, (A) there shall have been no material adverse change in the financial condition, business or operations of NHA, and (B) none of the assets of NHA shall have been damaged by fire, flood, casualty, act of God or the public enemy or other cause (regardless of insurance coverage for such damage) which damages shall have a material adverse effect on NHA.

(c) NewHomes shall have received a certificate from NHA signed by a duly authorized officer of NHA to the effect that each of the conditions specified in Section (a) and (b) of this Section 4.1 is satisfied in all respects.

(d) NewHomes shall have received from NHA (i) state-certified copies of the Articles of Incorporation of NHA and copies of the Bylaws of NHA as in effect immediately prior to the Closing Date, and (ii) copies of resolutions adopted by NHA's (A) Board of Directors, and (B) Shareholders, authorizing the transactions contemplated by this Agreement, and all of such documents as to NHA shall be certified as of the Closing Date by a duly authorized officer of NHA as being true, correct and complete.

(e) NewHomes shall have completed due diligence of NHA to its satisfaction;

Fax Audit No.: (((H99000027691 7)))

(f) NewHomes shall have received an executed Shareholders Agreement, in form acceptable to it;

(g) NewHomes shall have received an executed Consulting Agreement, in form acceptable to it;

(h) NewHomes shall have received an executed Davis Employment Agreement, in form acceptable to it; and

(i) NewHomes shall have received evidence of a key man life insurance on Richard Davis in an amount acceptable to it.

(j) NewHomes shall have received from NHA a certificate of legal existence of NHA issued by the Secretary of State of the State of Florida and each other state in which NHA is qualified to do business as of a date not more than 10 days prior to the Closing Date,

(k) NHA and NewHomes shall have received all authorizations, consents and approvals to the Merger and other transactions contemplated hereby and waivers of rights to terminate or modify any material rights or obligations of NHA from any person from whom such consent or waiver is required under any material contract and from any governmental or other regulatory agency or authority, except where the failure to obtain such consent or waiver shall not have a material adverse effect of NHA.

(l) There shall not be pending or threatened any action or proceeding by or before any court or other governmental body which shall seek to restrain, prohibit, invalidate or collect damages arising out of the Merger or other transactions hereunder, and which, in the reasonable judgment of NewHomes, makes it inadvisable to proceed with the transactions contemplated hereby.

(m) NewHomes and each of the employees, directors, officers and shareholders of NHA, as determined by NewHomes in its reasonable discretion, shall have executed a Non-Disclosure, Non-Solicitation and Work For Hire Agreement, in a form acceptable to NewHomes and NHA.

ARTICLE V

5.1 Indemnification by the NHA Controlling Shareholder. The NHA Controlling Shareholder shall defend, indemnify and hold NewHomes and its officers, directors, shareholders, employees, agents, successors and assigns harmless and shall pay all losses, damages, fees, expenses and costs (including reasonable attorneys fees) that may accrue, arise or be incurred by

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

them that are proximately caused by any breach or alleged breach by NHA or the NHA Controlling Shareholder of any of its representations and warranties herein.

5.2 Indemnification by NewHomes. NewHomes shall defend, indemnify and hold the NHA Controlling Shareholder and NHA and its officers, directors, shareholders, employees and agents harmless and shall pay all losses, damages, fees, expenses and costs (including reasonable attorneys fees) incurred by them that are proximately caused by any breach or alleged breach by NewHomes of any of its representations and warranties herein.

5.3 Indemnification Limitation. Neither party shall be liable to any other party for any special, indirect, incidental, exemplary or consequential damages (including, but not limited to, lost profits) arising from any claim related to this Agreement. Notwithstanding anything in the Agreement to the contrary, the NHA Controlling Shareholder shall not be required to indemnify NewHomes and its officers, directors, shareholders, employees, agents, successors and assigns for any losses, damages, fees, expenses and costs until such losses, damages, fees, expenses and costs exceed at least \$25,000 in the aggregate. Once such \$25,000 threshold is reached, Sellers shall be, jointly and severally, liable for all amounts up to and in excess of such threshold. Furthermore, notwithstanding anything in the Agreement to the contrary, the maximum indemnification obligation of the NHA Controlling Shareholder shall be limited to an aggregate of \$2,250,000.

5.4 Exclusivity of Remedies. The remedies provided in this Agreement shall be exclusive of any other rights or remedies available to one party against the other, either at law or in equity; provided, however, such remedies shall not be exclusive in the event of a claim based on fraud.

5.5 Knowledge. The term "knowledge" or "known" when used (i) with respect to a corporate entity, means the actual knowledge of or matters actually known to the officers, directors, shareholders or executives of that corporate entity or knowledge that such individuals should reasonably have as a result of their positions and duties and does not otherwise impose a duty to investigate. Notwithstanding any knowledge of facts determined or determinable by any party, each party shall have the right to fully rely on the representations, warranties, covenants and agreements of the other parties contained in this Agreement, including without limitation the rights to indemnification set forth in Article V, or in any other documents or papers delivered in connection herewith. Each representation, warranty, covenant and agreement of the parties contained in this Agreement is independent of each other representation, warranty, covenant and agreement.

ARTICLE VI

6.1 Termination. This Agreement may be terminated and abandoned by the mutual agreement of the Corporations and the NHA Controlling Shareholder at any time before the Effective Date, or by either party at any time prior to the Effective Date (a) in the event of a

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

breach by the other party of any representation or warranty contained in this Agreement in any material respect, such party has notified the other party in writing of the breach and the breach has continued for ten (10) days without cure after receipt of notice of the breach or (b) if the Closing shall not have occurred on or before November 4, 1999 by reason of the failure of any condition precedent hereunder.

6.2 Effect of Termination. Except for the provisions of Article V hereof, which shall survive any termination of this Agreement, in the event of termination of this Agreement pursuant to this Article, this Agreement shall forthwith become void and of no further force and effect, and the parties shall be released from any and all obligations hereunder; *provided, however*, that nothing herein shall relieve any party from liability for any termination resulting from a deliberate act undertaken with the knowledge that such act would frustrate or impede the Closing or the consummation of the transactions contemplated hereby.

ARTICLE VII

7.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to the conflicts of law rules thereof.

7.2 Headings. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

7.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which taken together shall constitute one single agreement between the parties.

7.4 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, then the remaining provisions of this Agreement, as applicable, if capable of substantial performance, shall remain in full force and effect.

7.5 Entire Agreement. This Agreement (including the Schedules, Exhibits and other documents delivered at Closing pursuant hereto) supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof, and is the entire agreement between the parties with respect to the subject matter hereof.

7.6 Amendments. No amendment to, or change, waiver or discharge of, any provision of this Agreement shall be valid unless in writing and signed by an authorized representative of each party.

7.7 Third Party Beneficiaries. This Agreement is not intended to confer upon any person or entity, other than the parties hereto, any rights or remedies.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

7.8 Covenant of Further Assurances. The parties covenant and agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, each of them shall execute and deliver any further legal instruments and perform any reasonable acts which are or may become necessary to effectuate the purposes of this Agreement.

7.9 Press Releases and Public Announcements. No party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other party.

7.10 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

7.11 Survival. The representations and warranties of the Parties shall survive the Effective Time for a period of twelve (12) months.

7.12 Legend. Until such time as the shares of Common Stock and Series A Preferred Stock representing the Merger Consideration are registered for sale under the Act as described in the Registration Rights Agreement, the certificates representing such Merger Consideration shares shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY THE HOLDER EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FILED UNDER THE ACT, AND IN COMPLIANCE WITH APPLICABLE SECURITIES LAWS OF ANY STATE WITH RESPECT THERETO, OR IN ACCORDANCE WITH AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS.

7.13 Specific Performance. Upon default hereunder, the non-defaulting party shall be entitled to make claim for specific performance of the terms of this Agreement in which event the defaulting party shall waive the defense that there is an adequate remedy at law or in money damages.

Fax Audit No.: (((H99000027691 7)))

Julio C. Esquivel, Esquire

Shumaker, Loop & Kendrick, LLP

101 East Kennedy Avenue, Suite 2800

Tampa, Florida 33602

813/227-2325

Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

7.14 Attorneys' Fees; Costs. In any action to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees, court costs and other expenses incurred in connection therewith, including such fees and costs in the trial court and on any appeal.

7.15 Additional Items. Each party agrees to execute and deliver in proper form any additional items or documents that may appear after Closing to be necessary to fully accomplish the purposes and objectives of the parties to this Agreement.

7.16 Disclosure and Accommodation. Matters disclosed on a Schedule or Exhibit, as the case may be, herein shall be deemed to be adequate disclosure for purposes of disclosing information only with respect to the particular section of this Agreement to which such Schedule or Exhibit relates, except to the extent that such matters are also disclosed on, or cross-referenced to, another Schedule or Exhibit. To the extent that a matter is disclosed, but a material circumstance related thereto is not ascertainable from the information disclosed on the Schedule or Exhibit concerning such matter by review of the specific agreements, documents or other information identified on the Schedule or Exhibit and made available for review, it shall not be deemed to be adequate disclosure of such material circumstance.

[the remainder of this page is intentionally left blank]

NOV. -02' 99 (TUE) 14:55

SERVICE LOANER S/N 0000007

TEL: 8132291660

P. 023

Fax Audit No.: (((H99000027691 7)))

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf and attested by its officers thereunto duly authorized, all as of the date first above written.

NHA REALTY, INC.

By /s/ Richard J. Davis
Richard J. Davis, its President

NEWHOMES.COM, INC.

By /s/ Alexander F. Hern
Alexander F. Hern, its President

NHA CONTROLLING SHAREHOLDER

/s/ Richard J. Davis
Richard J. Davis, an individual

Fax Audit No.: (((H99000027691 7)))

EXHIBIT 1.8

Name of NHA Shareholder	Number of Shares of NHA Common Stock Owned Prior to the Merger	Number of Shares of NewHomes Common Stock Owned After the Merger	Number of Shares of NewHomes Series A Preferred Stock Owned After the Merger
Richard J. Davis	920	21,585,000	1,000
Don Davis	50	1,200,000	0
Jeff Davis	30	600,000	0

Fax Audit No.: (((H99000027691 7)))

Schedule 2.1(d)

to Agreement and Plan of Merger by and between NHA Realty, Inc., Richard Davis, and NewHomes.Com., Inc.

Ownership Interest

Total Number of Authorized Shares = 1,000 shares of common stock, \$.10 par value per share, which shares have been issued as follows:

Name of NHA Shareholder	Number of Shares of NHA Common Stock Owned Prior to the Merger
Richard J. Davis	920
Don Davis	50
Jeff Davis	30

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

Schedule 2.1(i)

to Agreement and Plan of Merger by and between NHA Realty, Inc., Richard Davis, and NewHomes.Com., Inc.

Changes Since Date of Current Balance Sheet

On October 31, 1999, NHA assigned all accounts receivable, contract rights, pending house closings, cash equivalents (bank accounts, etc.) and cash on hand to Richard Davis, pursuant to the Bill of Sale and Assignment, a copy of which is attached hereto.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

NOV. 03 '99 (WED) 11:13

SERVICE LOANER S/N 0000007

TEL: 8132291660

P. 006

Fax Audit No.: (((H99000027691 7)))

Schedule 2.1(I)

to Agreement and Plan of Merger by and between NHA Realty, Inc., Richard Davis, and NewHomes.Com., Inc.

Intellectual Property

NHA Realty, Inc.
NewHomes.Com
NewHomes.Com and Design
New Homes Advisory
HomesAdvisory.com

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

Schedule 2.1(q)

to Agreement and Plan of Merger by and between NHA Realty, Inc., Richard Davis, and NewHomes.Com., Inc.

Contracts

Independent Contractor Agreements with Gary Moskal, Michelle Pellet, Kyle Poehl, Amy Rossell, Theresa Maria Westbrook, Raymond Westbrook, Bryan Zand, Carolyn S. Mahoney, Vickie Lynn Hinkle, Kenneth J. Hinkle, Nancy Fitzpatrick, Judy Gailey, Mary E. DeFrank, Thomas C. DeBear, Claude L. Council, Jamie Cooper, Kimberly Bromley, Kathleen A. Buchholz, William C. Dolinger, Jr.

Advertising Contract with Tampa Bay Online.

Listing Agreement with Florida Super Site, Inc.

Advertising Contracts with Naples Daily News.

Homefair.com, Inc. Preferred Sponsorship Agreement

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shinnaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

NOV. 03 '99 (WED) 11:14

SERVICE LOANER S/N 0000007

TEL: 8132291660

P. 008

Fax Audit No.: (((H99000027691 7)))

Schedule 2.1(v)

to Agreement and Plan of Merger by and between NHA Realty, Inc., Richard
Davis, and NewHomes.Com., Inc.

Warranties and Warranty Claims

None.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

Fax Audit No.: (((H99000027691 7)))

Schedule 3.1(g)

to Agreement and Plan of Merger by and between NHA Realty, Inc., Richard Davis, and NewHomes.Com., Inc.

**Authorized, Issued and Outstanding Shares
of Each Class of Capital Stock of
NewHomes.Com. Inc.**

<u>Class</u>	<u>Authorized</u>	<u>Issued</u>	<u>Stockholder</u>
Common Stock, par value \$.0001	56,000,000		
		800,000	Alexander F. Hern Riverson Leonard Stephen D. Hove Michael Santer Bryan Kennedy
Total		<u>6,615,000</u>	
Preferred Stock, par value \$.0001	15,000,000		
		None	None

Exceptions

None.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380

NOV. 03' 99 (WED) 11:14

SERVICE LOANER S/N 0000007

TEL: 8132291660

P. 010

Fax Audit No.: (((H99000027691 7)))

Schedule 3.1(s)

to Agreement and Plan of Merger by and between NHA Realty, Inc., Richard Davis, and NewHomes.Com., Inc.

**Warranties or Representations With Respect
to NewHomes.Com, Inc.'s Products**

None.

Fax Audit No.: (((H99000027691 7)))
Julio C. Esquivel, Esquire
Shumaker, Loop & Kendrick, LLP
101 East Kennedy Avenue, Suite 2800
Tampa, Florida 33602
813/227-2325
Bar No.: 0940380