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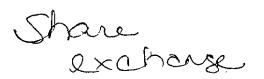
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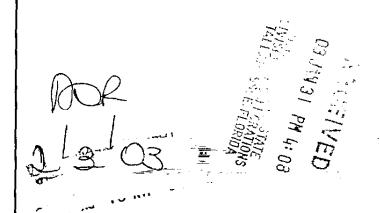


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ORDER DATE : January 31, 2003			
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Suite 505 —			
930 South Harbor City Blvd.			
Melbourne, FL 32901			
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NAME: MERCEDES HOMES, INC.			
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XX ARTICLES OF SHARE EXCHANGE = -			
PLEASE RETURN THE FÖLLOWING AS PROOF OF FILING:			
XX CERTIFIED COPY			
CONTACT PERSON: Norma Hull EXT# 1115 EXAMINER'S INITIALS:	_		

'ARTICLES OF SHARE EXCHANGE

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MERCEDES HOMES, INC., A FLORIDA CORPORATION ... 31 PM 4: 32

MERCEDES HOMES OF THE CAROLINAS, INC., A NORTHAL CAROLINA LE CORPORATION

Pursuant to Section 607.1105 of the Florida Business Corporation Act (the "Act"), MERCEDES HOMES, INC., a Florida corporation, and MERCEDES HOMES OF THE CAROLINAS, INC., a North Carolina corporation, adopt the following Articles of Share Exchange.

- 1. The Agreement and Plan of Share Exchange dated January 7, 2003 ("Plan of Share Exchange") between MERCEDES HOMES, INC. and MERCEDES HOMES OF THE CAROLINAS, INC. was approved and adopted by the shareholders of MERCEDES HOMES, INC. on January 27, 2003. The Agreement and Plan of Share Exchange dated January 7, 2003 ("Plan of Share Exchange") between MERCEDES HOMES, INC. and MERCEDES HOMES OF THE CAROLINAS, INC. was approved and adopted by the shareholders of MERCEDES HOMES OF THE CAROLINAS, INC. on January 27, 2003. The provisions of Section 607.1107(1)(d) of the Act have been complied with.
- 2. Pursuant to the Plan of Share Exchange, all unissued shares of stock of MERCEDES HOMES OF THE CAROLINAS, INC. will be exchanged for 392,807 shares of stock of MERCEDES HOMES, INC. (in accordance with the Plan of Share Exchange), and MERCEDES HOMES OF THE CAROLINAS, INC. will become a wholly owned subsidiary of MERCEDES HOMES, INC.
- 3. The Plan of Share Exchange is attached as "Exhibit A PLAN OF SHARE EXCHANGE" and incorporated by reference as if fully set forth.
- 4. Pursuant to Section 607.1105(1)(b) of the Act, the date and time of the effectiveness shall be February 1, 2003.

IN WITNESS WHEREOF, the parties have set their hands this 28th day of January, 2003.

MERCEDES HOMES, INC.

As Its President

MERCEDES HOMES OF THE

CAROLINAS, INC.

As Its President

EXHIBIT A - PLAN OF SHARE EXCHANGE

THIS PLAN OF SHARE EXCHANGE (the "Plan") is entered into between MERCEDES HOMES, INC., a Florida corporation ("MHI"), and MERCEDES HOMES OF THE CAROLINAS, INC., a North Carolina corporation ("MHC").

- 1. Effective Date. The Effective Date of this Plan shall be February 1, 2003.
- 2. <u>Issuance of MHI Shares</u>. MHI shall issue approximately 392,807 new shares of MHI stock to the ESOP in order to acquire of all shares of MHC. Such shares shall be allocated to Participants (as defined in Section 3 below) pursuant to this Plan. Upon consummation of this Share Exchange, MHC shall become a wholly owned subsidiary of MHI. It should be noted that currently all MHI subsidiaries are wholly owned by MHI.
- 3. <u>Distribution to Participants</u>. Upon the Effective Date, each participant in the Mercedes Homes Employee Stock Ownership Plan ("ESOP") having the right to instruct the ESOP Trustee how to vote on this Plan and authorizing said Trustee to act on his behalf in connection with this Plan ("Participant") and having shares of MHC allocated to such Participant's account shall exchange each of such shares of MHC for 3.92807 shares of MHI. This ratio of exchange (i.e., one (1) share of MHC for 3.92807 shares of MHI) shall be known as the Initial Exchange Ratio.
- 4. Satisfaction of Rights of Non-Dissenting Participants. Upon exchanging shares of MHC for shares of MHI pursuant to this Plan, each Participant voting in favor of or abstaining from voting on this Plan shall be deemed to have been paid in full for the shares of MHC exchanged.
- Satisfaction of Rights of Dissenting Participants. Each Participant voting against this Plan shall exchange shares of MHC for shares of MHI in accordance with this Plan, and additionally shall be entitled to assert dissenters' rights in accordance with the procedures delineated in Section 55-13-20 et seq. of the North Carolina Business Corporation Act (the "North Carolina Act"). Dissenting Participants satisfying the requirements of the North Carolina Act shall, upon satisfaction of such requirements, have allocated to their accounts a cash equivalent investment for exchanged shares of MHC, plus any interest as required by the North Carolina Act, and upon such allocation, shall be deemed to have been paid in full for the shares of MHC exchanged. Dissenting Participants not satisfying such requirements of the North Carolina Act shall forfeit any rights to an allocation of a cash equivalent investment to their accounts for shares of MHC, and the shares of MHI previously allocated in exchange for shares of MHC shall be deemed a payment in full for such exchanged shares of MHC.
- 6. Determinations of Initial Exchange Ratio and Final Exchange Ratio. The ESOP Trustee has engaged a nationally recognized valuation firm to determine fair market value ("FMV") of each share of MHC and MHI stock as of January 31, 2002 and as of the Effective Date. Due to the fact that the ratio of exchange of MHC for MHI shares as of the Effective Date ("Final Exchange Ratio") shall not be determinable until after the Effective Date, the parties to this Plan agree to use the January 31, 2002 FMVs of \$72.63

per share of MHC stock and \$18.49 per share of MHI stock to calculate the Initial Exchange Ratio (as specified in Section 3 above).

Upon determination of the Final Exchange Ratio, such date of determination expected to be not later than December 31, 2003, allocations of MHI stock based upon the Initial Exchange Ratio shall be adjusted in accordance with the Final Exchange Ratio for all Participants who exchanged shares of MHC for MHI, whether by voting in favor of, abstaining or voting against the Share Exchange and failing to satisfy the requirements of the North Carolina Act for asserting dissenters' rights.

- 7. Supplemental Action. If at any time after the Effective Date MHI and/or MHC shall determine that any further conveyances, agreements, documents (to include administrative rules of the ESOP), instruments, and assurances or any further action is necessary or desirable to carry out the provisions of this Plan, the duly authorized representatives of MHI, MHC, or both, as the case may be, whether past or remaining in office, shall execute and deliver any and all proper conveyances, agreements, documents, instruments, and assurances and perform all necessary or proper acts to carry out the provisions of this Plan.
- 8. Filing with the Florida Department of State and the North Carolina Secretary of State.

 MHC and MHI shall cause their duly authorized representatives to execute Articles of Share Exchange in the form attached hereto and upon such execution this Plan shall be deemed incorporated by reference into the Articles of Share Exchange as if fully set forth therein and shall become an exhibit to such Articles of Share Exchange. The Articles of Share Exchange shall be delivered for filing to the Florida Department of State and the North Carolina Secretary of State. In accordance with Section 607.1105 of the Florida Business Corporation Act (the "Florida Act") and Section 55-11-05 of the North Carolina Act, the Articles of Share Exchange shall specify the Effective Date.
- 9. Amendment and Waiver. Any of the terms or conditions of this Plan may be waived at any time by MHI and/or MHC by action taken by the Boards of Directors of such waiving party(ies). This Plan may be amended or modified in whole or in part at any time prior to the vote on the Share Exchange by the Participants by written action taken by the Boards of Directors of MHI and MHC, or at any time thereafter as long as such change is in accordance with Section 607.1103 of the Florida Act and Section 55-11-03 of the North Carolina Act.
- 10. <u>Termination</u>. At any time prior to the Effective Date, this Plan may be terminated and the Plan of Share Exchange abandoned by mutual consent of the Boards of Directors of MHI and MHC, notwithstanding favorable action by the Participants. Such reason for termination shall include, without limitation, a vote against this Plan and a notice of intent to exercise dissenters' rights (as specified in Section 5 above) by Participants who have allocated to their accounts, in total, more than ten percent (10%) of outstanding shares of MHC.

Dated this 7th day of January, 2003.