

1201 HAYS STREET
TALLAHASSEE, FL 32301

800-342-8086

904-242-9111
904-242-9112 FAX



networks

PRINCIPAL
LEGAL & FINANCIAL SERVICES

ACCOUNT NO. : 072100000032

REFERENCE : 029377 4303929

AUTHORIZATION :

Patricia Pizzuto

COST LIMIT : \$ 122.50

ORDER DATE : February 1, 1996

ORDER TIME : 11:15 AM

ORDER NO. : 029377

CUSTOMER NO: 4303929

CUSTOMER: Sheryl Cohen, Legal Assistant
GREENERG TRAUIG HOFFMAN
LIPOFF ROSEN & QUENTEL, P. A.
22nd Floor
1221 Brickell Avenue
Miami, FL 33131-3238

200001704122

RECEIVED
96 FEB -1 PM 12:12
DIVISION OF CORPORATION

DOMESTIC FILING

NAME: WALEX FINANCIAL SERVICES
CORPORATION

XX ARTICLES OF INCORPORATION
CERTIFICATE OF LIMITED PARTNERSHIP

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY
PLAIN STAMPED COPY
CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Donna Kendrick

EXAMINER'S INITIALS: T. BROWN FEB - 2 1996

FILED
96 FEB -1 AM 10:22
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED
96 FEB -1 AM 10:22
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION
OF
WALEX FINANCIAL SERVICES CORPORATION

ARTICLE I

The name of the corporation is WALEX FINANCIAL SERVICES CORPORATION (the "Corporation").

ARTICLE II

The address of the principal office and the mailing address of the Corporation is 12150 East Monument Drive, Suite 510, Fairfax, Virginia 22033.

ARTICLE III

This Corporation shall have authority to issue One Thousand (1,000) shares of Common Capital stock having a par value of \$0.01 per share.

ARTICLE IV

The Corporation shall hold a special meeting of shareholders only:

- (1) On call of the Board of Directors or persons authorized to do so by the Corporation's Bylaws; or
- (2) If the holders of not less than 50 percent of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

ARTICLE V

The street address of the Corporation's initial registered office is 1201 Hays Street, City of Tallahassee, County of Leon, State of Florida 32301 and the name of its initial registered agent at such office is Corporation Service Company.

ARTICLE VI

The Board of Directors of the Corporation shall consist of at least one director, with the exact number to be fixed from time to time in the manner provided in the Corporation's Bylaws.

The number of directors constituting the Initial Board of Directors is two, and the names and addresses of the members of the Initial Board of Directors, who will serve as the Corporation's directors until successors are duly elected and qualified are:

Walter D. Shealy, III
12160 East Monument Drive
Suite 510
Fairfax, Virginia 22033

Alex Schultes
12160 East Monument Drive
Suite 510
Fairfax, Virginia 22033

ARTICLE VII

The name of the Incorporator is Donna Kendrick and the address of the Incorporator is 1201 Hays Street, Miami, Florida 33139.

ARTICLE VIII

This Corporation shall indemnify and shall advance expenses on behalf of its officers and directors to the fullest extent not prohibited by law in existence either now or hereafter.

IN WITNESS WHEREOF, the undersigned, being the Incorporator named above, for the purpose of forming a corporation pursuant to the Florida Business Corporation Act of the State of Florida has signed these Articles of Incorporation this 31st day of January, 1996.


Donna Kendrick, Incorporator

ACCEPTANCE OF APPOINTMENT OF REGISTERED AGENT

The undersigned, having been named the Registered Agent of WALEX FINANCIAL SERVICES CORPORATION hereby accepts such designation and is familiar with, and accepts, the obligations of such position, as provided in Florida Statutes §807.0505.

CORPORATION SERVICE COMPANY
Registered Agent

BY: 
PATRICIA G. PIZZUTO, as Agent for the
Registered Agent

Dated: January 31, 1996

1201 HAYS STREET
TALLAHASSEE, FL 32301
904-222-9171
904-222-0193 FAX

800-342-8086

CSC networks

PROFESSIONAL
LEGAL & FINANCIAL SERVICES

RECEIVED

96 MAR 25 AM 11:59

DIVISION OF CORPORATION

P96000010503

ACCOUNT NO. : 072100000032

REFERENCE : 893825 4303929

AUTHORIZATION :

Patricia Pyzats

COST LIMIT : \$ 87.50

ORDER DATE : March 25, 1996

ORDER TIME : 11:03 AM

ORDER NO. : 893825

100001756011

CUSTOMER NO: 4303929

CUSTOMER: Ms. Sheryl C. Vainstein
Greenberg Traurig Hoffman
22nd Floor
1221 Brickell Avenue
Miami, FL 33131-3238

DOMESTIC AMENDMENT FILING

NAME: WALEX FINANCIAL SERVICES
CORPORATION

FILED
96 MAR 25 PM 3:31
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

☒ ARTICLES OF AMENDMENT
☒ RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

☒ CERTIFIED COPY
☐ PLAIN STAMPED COPY
☐ CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Donna Kendrick

EXAMINER'S INITIALS: _____

Amended & Restated Art. of Inc
3/26/96
DC

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
WALEX FINANCIAL SERVICES CORPORATION**

FILED
MAR 23 PM 3:31
SECRETARY OF STATE
TALLAHASSEE FLORIDA

ARTICLE I

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ARTICLE II

The address of the principal office and the mailing address of the Corporation is 12150 East Monument Drive, Suite 510, Fairfax, Virginia 22033.

ARTICLE III

This Corporation shall have authority to issue One Thousand (1,000) shares of Common Capital stock having a par value of \$0.01 per share and One Hundred Fifty Thousand (150,000) shares of Preferred Stock having a par value of \$0.01 per share.

The designation, preferences, voting powers, relative rights, qualifications, limitations and restrictions, of the Corporation's Preferred Stock shall be as follows:

- (a) All 150,000 shares of the Preferred Stock shall be designated as Class A Preferred Stock (the "Class A Preferred Stock"), shall be of equal rank and shall be identical.
- (b) The stated value of the Class A Preferred Stock shall be \$1.00 per share.
- (c) Subject to the provisions hereof, the Class A Preferred Stock shall be senior to any and all other classes of stock of the Corporation, common or preferred, in respect of the right to receive dividends and/or to participate in any distribution of assets other than by way of dividends.
- (d) No additional shares of Class A Preferred Stock shall be authorized or issued without the approval of the Board of Directors of the Corporation and the holders of two-thirds of the issued and outstanding Class A Preferred Stock.
- (e) The annual dividend rate payable on the Class A Preferred Stock shall be \$.06 per share, cumulative and compounded to the extent not paid, from the date of issue, and payable annually on March 31 in each year, commencing March 31, 1997.

- (f) Subject to section (g) below, so long as any shares of Class A Preferred Stock shall remain outstanding, no dividend whatever shall be paid or declared, and no distribution made, on any junior stock, other than a dividend payable solely in shares of junior stock.
- (g) Notwithstanding the foregoing, payment of accrued dividends on the Class A Preferred Stock may be deferred and payment of dividends to the holders of any other class of stock may be made so long as the payment of dividends does not reduce the shareholders' equity in the Corporation below the amount represented by the sum of (i) \$150,000, plus (ii) the stated value of the issued and outstanding Class A Preferred Stock, together with accrued and unpaid dividends thereon.
- (h) The holders of the Class A Preferred Stock shall not have any voice in the management of the Corporation, nor shall they be entitled to vote in any matter requiring the affirmative vote or consent of shareholders, except as may be required by law, and except that the Corporation shall not increase the amount of the Class A Preferred Stock that is authorized, nor issue any stock having any priority or preference over or equality with the Class A Preferred Stock, or otherwise amend the provisions of the Articles of Incorporation so as to affect adversely any of the preferences or other rights of the holders of the Class Preferred Stock, except upon the assent of the holders of two-thirds of the issued and outstanding Class A Preferred Stock; provided, however, that the holders of the Class A Preferred Stock as a class shall be entitled to cast votes in an amount equal to the greater of (i) fifty-one percent of votes eligible to be cast by all classes of shareholders, or (ii) such amount as is necessary to elect a majority of the board of directors, in the event of a breach of Section 5 of the Stock Subscription Agreement dated March 20, 1996 relating to the initial sale of the Class A Preferred Stock
- (i) On July 1, 1998 (or at such later date consented to by the Corporation and the holders of two-thirds of the issued and outstanding Class A Preferred Stock), with funds legally available therefor for such purpose under the Florida Business Corporations Act, the Corporation shall redeem all of the then outstanding shares of Class A Preferred Stock by paying to the holders thereof the amount of \$1.00 per share, together with all dividends accrued and unpaid to July 1, 1998, or such subsequent date fixed for redemption in accordance with the provisions hereof.
- (j) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or any merger or consolidation in which the Corporation is not the surviving entity, or any sale of all or substantially all of the Corporation's assets (a "Liquidation"), the holders of the Class A Preferred Stock shall be entitled first to receive out of the assets of the Corporation, whether such assets are capital or surplus or any nature, before any payment shall be made or any assets distributed to the holders of common stock, or to the holders of any other series of

preference stock ranking junior to the Class A Preferred Stock, an amount equal to \$1.00 per share, plus accrued and unpaid dividends, and no more. If upon any Liquidation the assets of the Corporation to be distributed are insufficient to permit the payment to all holders of Class A Preferred Stock their full preferential amounts, the entire assets of the Corporation to be distributed shall be distributed ratably among the holders of Class A Preferred Stock.

- (k) No sinking fund shall be provided for the purchase or redemption of Class A Preferred Stock.
- (l) The holders of shares of Class A Preferred Stock shall not, because of their ownership of such shares, have any preemptive or other right to purchase, subscribe for or take any part (pro rata or otherwise) of any securities or options, rights or warrants to purchase any such securities issued or sold by the Corporation, whether for cash or for property, and whether now or hereafter authorized.
- (m) For the purposes of subparagraphs (a)-(l) above and this subparagraph (m), the term "junior stock" shall mean the Common Stock and all other classes or series of stock of the Company over which the Class A Preferred Stock has preference or priority with respect to either dividends or distribution of assets upon liquidation, dissolution or winding up of the Corporation.
- (n) All shares of Class A Preferred Stock redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and retired and thereupon restored to the status of authorized but unissued Preferred Stock undesignated as to series.

ARTICLE IV

The Corporation shall hold a special meeting of shareholders only:

- (1) On call of the Board of Directors or persons authorized to do so by the Corporation's Bylaws; or
- (2) If the holders of not less than 50 percent of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

ARTICLE V

The street address of the Corporation's initial registered office is 1201 Hays Street, City of Tallahassee, County of Leon, State of Florida 32301 and the name of its initial registered

agent at such office is Corporation Service Company.

ARTICLE VI

The Board of Directors of the Corporation shall consist of at least one director, with the exact number to be fixed from time to time in the manner provided in the Corporation's Bylaws. The number of directors constituting the Initial Board of Directors is two, and the names and addresses of the members of the Initial Board of Directors, who will serve as the Corporation's directors until successors are duly elected and qualified are:

Walter D. Shealy, III
12150 East Monument Drive
Suite 510
Fairfax, Virginia 22033

Alex Schultes
12150 East Monument Drive
Suite 510
Fairfax, Virginia 22033

ARTICLE VII

The name of the Incorporator is Donna Kendrick and the address of the Incorporator is 1201 Hays Street, Miami, Florida 33138.

ARTICLE VIII

This Corporation shall indemnify and shall advance expenses on behalf of its officers and directors to the fullest extent not prohibited by law in existence either now or hereafter.


**CERTIFICATE OF THE
CHAIRMAN OF THE BOARD
OF
WALEX FINANCIAL SERVICES CORPORATION**

Pursuant to the provisions of Section 607.1007 of the Florida Business Corporation Act (the "FBCA"), the undersigned certifies as follows:

(a) The Amended and Restated Articles of Incorporation of WALEX Financial Services Corporation (the "Corporation") attached hereto contain an amendment to Article III of the Corporation's Articles of Incorporation that requires shareholder approval.

(b) The Corporation has one class of capital stock outstanding and the amendment set forth in Article III of the Corporation's Articles of Incorporation was duly adopted by all of the holders of the Company's outstanding capital stock by written unanimous consent on March 21, 1996, pursuant to Section 607.0704 of the FBCA.

**WALEX FINANCIAL SERVICES
CORPORATION, a Florida corporation**

By: 
Walter D. Shealy, III,
Chairman of the Board

1201 HAYS STREET
TALLAHASSEE, FL 32304

800-342-0086

P96000010503



ACCOUNT NO. : 072100000032

REFERENCE : 904899 4303929

AUTHORIZATION : Patricia Fygiato

COST LIMIT : \$ 87.50

ORDER DATE : April 2, 1996

ORDER TIME : 2:28 PM

ORDER NO. : 904899

8000001767818

CUSTOMER NO: 4303929

CUSTOMER: David E. Wells, Esq
Greenberg Traurig Hoffman
22nd Floor
1221 Brickell Avenue
Miami, FL 33131-3238

DOMESTIC AMENDMENT FILING

NAME: WALEX FINANCIAL SERVICES
CORPORATION

☒ ARTICLES OF AMENDMENT
☒ RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

☒ CERTIFIED COPY
☐ PLAIN STAMPED COPY
☐ CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Donna Kendrick

EXAMINER'S INITIALS:

FILED
96 APR -2 PM 3:20
SECRETARY OF STATE
TALLAHASSEE FLORIDA

RECEIVED
96 APR -2 PM 3:12
DIVISION OF CORPORATION

4/3 Jono
Amended
& Restated.
C.C.

95 APR -2 PM 3:20
SECRETARY OF STATE
TALLAHASSEE FLORIDA
Business Corporation

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

WALEX Financial
endment to Article
lder approval.

standing and the corporation was duly stock, par value \$.01 unanimous consent on

SERVICES
Florida corporation

By: Walter D. Shealy, III
Walter D. Shealy, III,
Chairman of the Board

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
WALEX FINANCIAL SERVICES CORPORATION**

FILED
96 APR -2 PM 3:20
SECRETARY OF STATE
TALLAHASSEE FLORIDA

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- (a) All 150,000 shares of the Preferred Stock shall be designated as Class A Preferred Stock (the "Class A Preferred Stock"), shall be of equal rank and shall be identical.
- (b) The stated value of the Class A Preferred Stock shall be \$1.00 per share.
- (c) Subject to the provisions hereof, the Class A Preferred Stock shall be senior to any and all other classes of stock of the Corporation, common or preferred, in respect of the right to receive dividends and/or to participate in any distribution of assets other than by way of dividends.
- (d) No additional shares of Class A Preferred Stock shall be authorized or issued without the approval of the Board of Directors of the Corporation and the holders of two-thirds of the issued and outstanding Class A Preferred Stock.
- (e) The annual dividend rate payable on the Class A Preferred Stock shall be \$0.08 per share, cumulative and compounded to the extent not paid, from the date of issue, and payable annually on March 31 in each year, commencing March 31, 1997.

- (f) Subject to section (g) below, so long as any shares of Class A Preferred Stock shall remain outstanding, no dividend whatever shall be paid or declared, and no distribution made, on any junior stock, other than a dividend payable solely in shares of junior stock.
- (g) Notwithstanding the foregoing, payment of accrued dividends on the Class A Preferred Stock may be deferred and payment of dividends to the holders of any other class of stock may be made so long as the payment of dividends does not reduce the shareholders' equity in the Corporation below the amount represented by the sum of (i) \$150,000, plus (ii) the stated value of the issued and outstanding Class A Preferred Stock, together with accrued and unpaid dividends thereon.
- (h) The holders of the Class A Preferred Stock shall not have any voice in the management of the Corporation, nor shall they be entitled to vote in any matter requiring the affirmative vote or consent of shareholders, except as may be required by law, and except that the Corporation shall not increase the amount of the Class A Preferred Stock that is authorized, nor issue any stock having any priority or preference over or equality with the Class A Preferred Stock, or otherwise amend the provisions of the Articles of Incorporation so as to affect adversely any of the preferences or other rights of the holders of the Class Preferred Stock, except upon the assent of the holders of two-thirds of the issued and outstanding Class A Preferred Stock; provided, however, that the holders of the Class A Preferred Stock as a class shall be entitled to cast votes in an amount equal to the greater of (i) fifty-one percent of votes eligible to be cast by all classes of shareholders, or (ii) such amount as is necessary to elect a majority of the board of directors, in the event of a breach of Section 5 of the Stock Subscription Agreement dated March 20, 1998 relating to the initial sale of the Class A Preferred Stock
- (i) At any time, with funds legally available therefor for such purpose under the Florida Business Corporations Act, the Corporation may redeem all of the then outstanding shares of Class A Preferred Stock by paying to the holders thereof the amount of \$1.00 per share, together with all dividends accrued and unpaid to July 1, 1998, or such subsequent date fixed for redemption.
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Liquidation the assets of the Corporation to be distributed are insufficient to permit the payment to all holders of Class A Preferred Stock their full preferential amounts, the entire assets of the Corporation to be distributed shall be distributed ratably among the holders of Class A Preferred Stock.

- (k) No sinking fund shall be provided for the purchase or redemption of Class A Preferred Stock.
- (l) The holders of shares of Class A Preferred Stock shall not, because of their ownership of such shares, have any preemptive or other right to purchase, subscribe for or take any part (pro rata or otherwise) of any securities or options, rights or warrants to purchase any such securities issued or sold by the Corporation, whether for cash or for property, and whether now or hereafter authorized.
- (m) For the purposes of subparagraphs (a)-(l) above and this subparagraph (m), the term "junior stock" shall mean the Common Stock and all other classes or series of stock of the Company over which the Class A Preferred Stock has preference or priority with respect to either dividends or distribution of assets upon liquidation, dissolution or winding up of the Corporation.
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12150 East Monument Drive
Suite 510
Fairfax, Virginia 22033

Alex Schultes
12150 East Monument Drive
Suite 510
Fairfax, Virginia 22033

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The name of the Incorporator is Donna Kendrick and the address of the Incorporator is 1201 Hays Street, Miami, Florida 33139.

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1201 HAY STREET
JAN 1997
332-017
332-017 AN
800-142-8087

P9600010503



PREMIER
LEGAL & FINANCIAL SERVICES

ACCOUNT NO. : 072100000032

REFERENCE : 070035 4303929

AUTHORIZATION :

COST LIMIT : \$ 87.50 122.80

FILED
96 SEP 11 AM 57
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ORDER DATE : August 29, 1996

ORDER TIME : 9:10 AM

ORDER NO. : 070035

CUSTOMER NO: 4303929

CUSTOMER: David E. Wells, Esq
Greenberg Traurig Hoffman
20th Floor
1221 Brickell Avenue
Miami, FL 33131-3238

Wells

300001-944263

ARTICLES OF MERGER

WALEX FINANCIAL SERVICES
CORPORATION

INTO
WALEX ACQUISITION CORPORATION
DATE: 9/11/96
BY: <i>[Signature]</i>
FOR: <i>[Signature]</i>

RECEIVED
96 SEP 11 AM 9:55
DIVISION OF CORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY
XX PLAIN STAMPED COPY

CONTACT PERSON: Kathy Drake

EXAMINER'S INITIALS: _____

P96000010503

ARTICLES OF MERGER
Morgor Shoot

.....
MERGING:

WALEX FINANCIAL SERVICES CORPORATION, a Florida corporation
P96000010503

INTO

WALEX ACQUISITION CORPORATION, a Delaware corporation not qualified
in Florida

File date: September 11, 1996

Corporate Specialist: Annette Hogan

Account number: 072100000032

Account charged: 122.50

**ARTICLES OF MERGER
OF
WALEX FINANCIAL SERVICES CORPORATION, a Florida corporation
INTO
WALEX ACQUISITION CORPORATION, a Delaware corporation**

FILED
96 SEP 11 AM 10:57
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

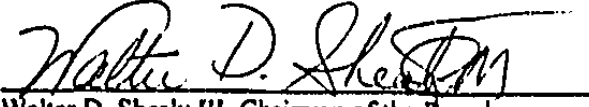
Pursuant to the provisions of Sections 607.1101 and 607.1105 of the Florida Business Corporation Act, Walex Financial Services Corporation, a Florida corporation ("WFSC") and Walex Acquisition Corporation, a Delaware corporation ("WAC") adopt the following Articles of Merger for the purpose of merging WFSC with and into WAC.

FIRST: The Agreement and Plan of Merger (the "Plan of Merger") is attached as Exhibit A.

SECOND: The Plan of Merger between WFSC and WAC was adopted by (i) the Board of Directors and all of the shareholders of common and preferred stock of WFSC on August 27, 1996 and (ii) the Board of Directors and the sole shareholder of WAC on August 27, 1996.

IN WITNESS WHEREOF, these Articles of Merger have been executed on behalf of the parties hereto as of the 27th day of August, 1996.

WALEX FINANCIAL SERVICES CORPORATION


Walter D. Shealy III, Chairman of the Board

WALEX ACQUISITION CORPORATION

William M. Daugherty, Chairman of the Board

**ARTICLES OF MERGER
OF
WALEX FINANCIAL SERVICES CORPORATION, a Florida corporation
INTO
WALEX ACQUISITION CORPORATION, a Delaware corporation**

Pursuant to the provisions of Sections 607.1101 and 607.1105 of the Florida Business Corporation Act, Walex Financial Services Corporation, a Florida corporation ("WFSC") and Walex Acquisition Corporation, a Delaware corporation ("WAC") adopt the following Articles of Merger for the purpose of merging WFSC with and into WAC.

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IN WITNESS WHEREOF, these Articles of Merger have been executed on behalf of the parties hereto as of the 27th day of August, 1996.

WALEX FINANCIAL SERVICES CORPORATION

Walter D. Shealy III, Chairman of the Board

WALEX ACQUISITION CORPORATION



William M. Daugherty, Chairman of the Board

AGREEMENT AND PLAN OF MERGER dated as of August 27, 1996 (the "Agreement") by and among UNITED NATIONAL MORTGAGE CORPORATION, a California corporation ("Parent"), WALEX ACQUISITION CORP., a Delaware corporation and a wholly-owned subsidiary of Parent ("WAC"), WALEX FINANCIAL SERVICES CORPORATION, a Florida corporation ("WFSC"), Walter D. Shealy III, an individual, E.U. Alexander Schultes, an individual (individually, a "Shareholder" and collectively, the "Shareholders") and William M. Daugherty, an individual ("Daugherty").

The respective Boards of Directors of Parent, WAC and WFSC deem it desirable and in the best interests of their respective corporations and stockholders that WFSC merge with and into WAC (the "Merger") in a statutory merger in accordance with the laws of the State of Delaware and the laws of the State of Florida (the "Applicable Statutes").

The Shareholders are the record and beneficial owners of all the outstanding common stock of WFSC and have duly approved the Merger by all necessary action.

The parties desire that the Merger provided for herein shall qualify as a tax-free reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the mutual benefits to be derived hereby and the mutual representations, warranties, covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1

MERGER

1.1 *Merger and Surviving Corporation.*

(a) WFSC shall merge with and into WAC, and WAC shall be the surviving corporation after the Merger (the "Surviving Corporation") and shall continue to exist as a corporation created and governed by the laws of the State of Delaware.

(b) The Articles of Incorporation of the Surviving Corporation, from and after the Effective Time of the Merger shall be the Articles of Incorporation of WAC.

(c) The By-Laws of the Surviving Corporation, from and after the Effective Time of the Merger (as hereinafter defined), shall be the By-Laws of WAC.

1.2 *Effectiveness of Merger.* If all of the conditions precedent to the obligation of each of the parties hereto as hereinafter set forth shall have been antistated or shall have been waived, Articles of Merger shall be delivered on the Closing Date (as hereinafter defined) to the Secretary of State of Delaware for filing in accordance with the Applicable Statute. The Merger shall become effective upon the acceptance of such filing by the Secretary of State of Delaware, which shall be the "Effective Time of the Merger."

1.3 *Shares of the Constituent and Surviving Corporations.* The manner and basis of converting and exchanging the shares of WFSC and the status of WAC's shares shall be as follows:

(a) (i) The shares of common stock, par value \$0.01 per share (the "WFSC Common Stock"), of WFSC, outstanding at the Effective Time of the Merger shall be converted into and become, without action on the part of the holders thereof, an aggregate of 49,905 shares of Parent Common Stock (the "Parent Shares"), which amount shall be equal to sixteen percent (16%) of the Parent Shares. Any share of WFSC Common Stock held in the treasury of WFSC at the Effective Time of the Merger shall be canceled and retired, and no shares or other securities of Parent shall be issuable with respect thereto. Prior to the Closing (as hereinafter defined), all outstanding warrants, options and convertible securities issued by WFSC shall have been canceled.

(ii) In addition, as additional consideration, an aggregate of 37,428 Parent Shares, shall be issued to the former holders of WFSC Common Stock, pro rata, upon the occurrence of any two (2) of the following four (4) benchmarks:

A. At any time prior to March 31, 1997 (the "Determination Date"), the Shareholders shall contribute \$135,000 of cash to WAC.

B. During any consecutive three month period prior to the Determination Date, Parent and WAC shall originate and fund a total of \$180,000,000 in loans.

C. For any consecutive three month period prior to the Determination Date, the Parent, on a consolidated basis, shall not incur an operating loss.

D. At any time prior to the Determination Date, the Net Worth of Parent shall be increased by \$1,000,000 as a result of a cash investment, which investment is made on terms and conditions acceptable to Parent. As used herein, the term "Net Worth" shall mean the shareholders' equity, on a consolidated basis, calculated in accordance with generally accepted accounting principles, on a consistent basis.

(b) The shares of preferred stock, par value \$1.00 per share (the "WFSC Preferred Stock"), of WFSC, outstanding at the Effective Time of the Merger shall be converted into and become, without action on the part of the holders thereof, an aggregate of 150,000

shares of the Preferred Stock of Parent (the "Parent Preferred Stock"), the terms and provisions of which Preferred Stock shall be identical in all respects to those of the WFSC Preferred Stock.

(c) Each share of common stock, par value \$.01 per share (the "WAC Common Stock"), of WAC, outstanding at the Effective Time of the Merger shall be and remain one share of common stock, \$.01 par value, of the Surviving Corporation, without action on the part of the holder thereof.

(d) At the Closing, each Stockholder who shall have delivered certificate(s) in negotiable form representing all the shares of WFSC Common Stock held by such Stockholder shall be entitled to receive in exchange therefor a certificate or certificates representing that number of Parent Shares for each share of WFSC Common Stock surrendered as is specified in Section 1.3(a) hereof and each person who shall have delivered certificate(s) in negotiable form representing all the shares of WFSC Preferred Stock held by such person shall be entitled to receive in exchange therefor a certificate or certificates representing that number of Parent Preferred Stock for each share of WFSC Preferred Stock surrendered as is specified in Section 1.3(b) hereof. Until so delivered, each such outstanding certificate which immediately prior to the Effective Time of the Merger represented shares of WFSC Common Stock shall be deemed for all corporate purposes, but subject to the further provisions of this Article I, to evidence the ownership of that number of Parent Shares specified in Section 1.3(a) hereof and each such outstanding certificate which immediately prior to the Effective Time of the Merger represented shares of WFSC Preferred Stock shall be deemed for all corporate purposes, but subject to the further provisions of this Article I, to evidence the ownership of that number of Parent Preferred Stock specified in Section 1.3(b) hereof.

1.4 *Effect of Merger.*

(a) Except as herein otherwise specifically set forth, the corporate identity, existence, purposes, powers, franchises, rights and immunities of WAC shall continue unaffected and unimpaired by the Merger, and the corporate identity, existence, purposes, powers, franchises, rights and immunities of WFSC shall be merged into WAC, and WAC, as the Surviving Corporation and a wholly-owned subsidiary of Parent, shall be fully vested therewith. The separate existence and corporate organization of WFSC (except insofar as it may be continued by statute) shall cease as of the Effective Time of the Merger.

(b) At the Effective Time of the Merger:

(i) All and singular, the rights, privileges, good will and franchises and all property, real, personal and mixed, and all debts due on whatever account and all other things in action, belonging to WFSC shall be, and they hereby are, bargained, conveyed, granted, confirmed, transferred, assigned and set over to and vested in the Surviving Corporation by operation of law and without further act or deed, and all property and rights, and all and every other interest of WFSC shall be the property, rights and interests of the Surviving Corporation as they were of WFSC;

(ii) No action or proceeding, whether civil or criminal, pending at the Effective Time of the Merger by or against either WAC or WFSC, or any shareholder, officer or director thereof, shall abate or be discontinued by the Merger, but may be enforced, prosecuted, settled or compromised as if the Merger had not occurred, or the Surviving Corporation may be substituted in such action or proceeding in place of WFSC; and

(iii) All rights of employees and creditors and all liens upon the property of WFSC shall be preserved unimpaired, limited to the property affected by such liens at the Effective Time of the Merger, and all the debts, liabilities and duties of WFSC shall be enforceable against the Surviving Corporation to the same extent as if all such debts, liabilities and duties had been incurred or contracted by it.

1.5 *Further Assurances.* WFSC agrees that, from time to time, as and when requested by the Surviving Corporation or by its successors and assigns, the last acting officers of WFSC, or the corresponding officers of the Surviving Corporation shall, in the name of WFSC, execute and deliver, or cause to be executed and delivered, at the sole expense of the Surviving Corporation, all deeds, assignments and other instruments and shall take or cause to be taken all such other and further actions as the Surviving Corporation may deem necessary or appropriate in order more fully to vest in and confirm to the Surviving Corporation title to and possession of all the property, rights, privileges, immunities, powers, purposes, franchises and all and every other interest of WFSC referred to in Section 1.4 hereof and otherwise to carry out the intent and purposes of this Agreement.

1.6 *Closing; Closing Date.* The closing (the "Closing") provided for herein shall take place at the offices of Parent or its counsel at 10:00 a.m. on Sept- 10, 1996 or such other time and place as may be agreed to by the parties hereto. Such date is referred to in this Agreement as the "Closing Date."

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF WFSC AND THE SHAREHOLDERS

WFSC and the Shareholders, jointly and severally, make the following representations and warranties to Parent and WAC:

2.1 *Valid Corporate Existence; Qualification.* WFSC is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. WFSC has the corporate power to carry on its business as now conducted and to own its assets. WFSC conducts its business in other jurisdictions pursuant to an agreement with J. I. Kislak Mortgage Corporation ("Kislak"), a copy of which has been provided to Parent and WAC (the "Kislak Agreement"). Kislak has consented pursuant to Schedule 2.1 that WAC is an authorized successor of WFSC's rights and duties under the Kislak Agreement. There is no jurisdiction in

which the failure to qualify to conduct business would have a material adverse effect on WFSC, its assets, properties, business, financial condition or prospects (a "Material Adverse Effect"), and WFSC is qualified or otherwise authorized pursuant to the Kialak Agreement to do business as a foreign corporation therein, to the extent required by its conduct of business. The copies of WFSC's Articles of Incorporation, as amended to date (certified by the Secretary of State of Florida), and WFSC's By-Laws, as amended to date (certified by WFSC's Secretary), which have heretofore been delivered to Parent, are true and complete copies of those documents as in effect on the date hereof. The minute books of WFSC contain accurate records of all meetings of its Board of Directors, all committees thereof and stockholders since its incorporation, and accurately reflect all transactions referred to therein.

2.2 *Capitalization.* The authorized capital stock of WFSC consists of: (a) one thousand (1,000) shares of WFSC Common Stock, of which one hundred sixty-two and one-half (162.5) shares are presently issued and outstanding and will be issued and outstanding as of the Closing. All of such issued and outstanding shares of WFSC Common Stock are duly authorized, validly issued, fully paid and nonassessable and owned of record and beneficially by the Shareholders as set forth on Schedule 2.2 attached hereto and made a part hereof; (b) one hundred fifty thousand (150,000) shares of Preferred Stock, all of which are presently issued and outstanding and will be issued and outstanding as of the Closing. All of such issued and outstanding shares of WFSC Preferred Stock are duly authorized, validly issued, fully paid and nonassessable and owned of record and beneficially by the entity as set forth on Schedule 2.2 attached hereto and made a part hereof. There are no subscriptions, options, warrants, rights or calls or other commitments or agreements to which WFSC is a party or by which it is bound, calling for the issuance, transfer, sale or other disposition of any class of securities of WFSC and there are no outstanding securities of WFSC convertible or exchangeable, actually or contingently, into shares of WFSC Common Stock or any other securities of WFSC. All transfer taxes, if any, with respect to transfers of capital stock of WFSC made prior to the date hereof have been paid.

2.3 *Subsidiaries.* There are no corporations, partnerships and other business entities controlled by WFSC (collectively, its "Subsidiaries"). (As used herein, "controlled by" means (a) the ownership of not less than 50% of the voting securities or other interests of a corporation, partnership or other business entity, or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a corporation, partnership or other business entity, whether through ownership of voting shares, by contract or otherwise). WFSC has not made any investment in, and does not own any of the capital stock of, or any other proprietary interest in any other corporation, partnership or other business entity.

2.4 *Consents.* There are no consents of governmental and other regulatory agencies, foreign or domestic, and of other parties required to be received by or on the part of WFSC or the Shareholders to enable each of them to enter into and carry out this Agreement.

2.5 *Corporate Authority; Binding Nature of Agreement.* WFSC has the power to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly

authorized by the Board of Directors and duly approved by the Shareholders of WFSC and no other corporate proceedings on the part of WFSC are necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement constitutes the valid and binding obligation of WFSC and the Shareholders and is enforceable against WFSC and the Shareholders in accordance with its terms.

2.6 *Ownership of WFSC Common Stock.* Each Shareholder owns beneficially and of record the number of shares of WFSC Common Stock set forth opposite such Shareholder's name on Schedule 2.2. All of the shares of WFSC Common Stock owned by each Shareholder are owned free and clear of all liens, pledges, security interests, claims, restrictions on transfer or other encumbrances or charges whatsoever. There are no outstanding rights of subscription, warrants, calls, options, contracts or other agreements of any kind, issued or granted (a) to each Shareholder by WFSC to purchase or otherwise acquire any securities of WFSC or (b) by each Shareholder with respect to the shares of WFSC Common Stock owned by such Shareholder.

2.7 *Financial Statements.* The unaudited financial statements of WFSC (the "WFSC Financial Statements") as of and for the period ended July 31, 1996 (the "Balance Sheet Date") are attached hereto as Schedule 2.7. The WFSC Financial Statements, except for the omission of notes thereto, were prepared in accordance with generally accepted accounting principles applied on a consistent basis, present fairly the financial position, results of operations and changes in financial position of WFSC as of such date and for the period then ended (subject to normal year-end audit adjustments which are not material), and are in accordance with the books of account and records of WFSC.

2.8 *Liabilities.* As at the Balance Sheet Date, WFSC had no material debts, liabilities or obligations, contingent or absolute, other than taxes and those debts, liabilities and obligations reflected or reserved against in WFSC's Balance Sheet, and there was no basis for the assertion against WFSC or of any liability or obligation not so reflected therein.

2.9 *Actions Since the Balance Sheet Date.* Except with respect to loans from Parent, accruals of salary to the Shareholders, and as otherwise expressly provided or set forth in, or required by, this Agreement, since the Balance Sheet Date, WFSC has not: (a) issued or sold, or agreed to issue or sell, any of its capital stock, options, warrants, rights or calls to purchase such stock, any securities convertible or exchangeable into such capital stock or other corporate securities, or effected any subdivision or other recapitalization affecting its capital stock; (b) incurred any material obligation or liability, absolute or contingent, except those arising in the ordinary and usual course of business consistent with past practices or in connection with the transactions contemplated hereby; (c) discharged or satisfied any lien or encumbrance, except in the ordinary and usual course of business, or paid or satisfied any liability, absolute or contingent, other than liabilities as at the Balance Sheet Date and current liabilities incurred since the Balance Sheet Date in the ordinary and usual course of business consistent with past practices; (d) made any wage or salary increases or granted any bonuses; (e) mortgaged, pledged or subjected to any lien, pledge, charge or other encumbrance any of its properties or assets, or permitted any of its property or assets to be subjected to any lien, pledge, charge or other encumbrance; (f) sold, assigned or transferred any of its properties or assets, except in the

ordinary and usual course of business consistent with past practices; (k) other than this Agreement or the transactions contemplated hereby, entered into any transaction or course of conduct not in the ordinary and usual course of business consistent with past practices; (l) waived any rights of substantial value, or canceled, modified or waived any indebtedness for borrowed money held by it; (m) declared, paid or set aside any dividends or other distributions or payments on its capital stock, or redeemed or repurchased, or agreed to redeem or repurchase, any shares of its capital stock; (n) made any loans or advances to any person, or assumed, guaranteed, endorsed or otherwise became responsible for the obligations of any person; or (o) incurred any indebtedness for borrowed money (except endorsement, for collection or deposit, of negotiable instruments received in the ordinary and usual course of business consistent with past practices).

2.10 *Adverse Developments.* Since the Balance Sheet Date, there have been no material adverse changes in the assets, properties, operations or financial condition of WFSC, and no event has occurred which could be reasonably expected to have a Material Adverse Effect upon the business of WFSC and neither WFSC nor the Shareholders, after reasonable inquiry, knows of any development or threatened development of a nature that has, or which could be reasonably expected to have, a Material Adverse Effect upon WFSC.

2.11 *Taxes.* All taxes, including, without limitation, income, property, sales, use, franchise, capital stock, excise, value added, employees' income withholding, social security and unemployment taxes imposed by the United States, any state, locality or any foreign country, or by any other taxing authority, which have or may become due or payable by WFSC and all interest and penalties thereon, whether disputed or not, have been paid in full or adequately provided for by reserves shown in its books of account; all deposits required by law to be made by WFSC or with respect to estimated income, franchise and employees' withholding taxes have been duly made; and all tax returns, including estimated tax returns, required to be filed have been duly filed. WFSC agrees to file with the appropriate authorities any and all tax returns or statements required to be filed in connection with or as a direct result of the Merger. No extension of time for the assessment of deficiencies for any year is in effect. No deficiency notice is proposed, or to the knowledge of WFSC and the Shareholders, after reasonable inquiry, threatened against WFSC. The Federal and state income tax returns of WFSC have never been audited.

2.12 *Ownership of Assets.* Attached as Schedule 2.12 is a list of all the material tangible assets of WFSC. Except as set forth in Schedule 2.12, WFSC owns outright, and has good and marketable title to (with respect to owned property) and the right to use (with respect to leased property) all of its assets, properties and businesses (including all assets reflected in the Balance Sheet, except as the same may have been disposed of in the ordinary and usual course of business consistent with past practices since the Balance Sheet Date), free and clear of all liens, mortgages, pledges, claims, conditional sales agreements, restrictions on transfer or other encumbrances or charges whatsoever. The personal property and intangible assets owned by WFSC are sufficient to permit WFSC to conduct its business as now conducted.

2.13 *Litigation; Compliance with Law.* Except as set forth in Schedule 2.13, there are no actions, suits, proceedings or governmental investigations relating to WFSC or its properties, assets or business pending or, to the knowledge of WFSC and each of the Shareholders, after reasonable inquiry, threatened, or any order, injunction, award or decree outstanding against WFSC or against or relating to any of their respective properties, assets or business; and neither WFSC nor any of the Shareholders, after reasonable inquiry, knows of any basis for any such action, suit, proceeding, governmental investigation, order, injunction or decree. WFSC is not in violation of any law, regulation, ordinance, order, injunction, decree, award, or other requirement of any governmental body, court or arbitrator relating to their respective properties, assets or business, the violation of which would have a Material Adverse Effect. Neither of the Shareholders is subject to any criminal proceedings or, to their knowledge, any government investigation.

2.14 *Permits and Licenses.* Giving effect to the Kislak Agreement, WFSC has all material permits, licenses, orders and approvals of all Federal, state, local and foreign governmental or regulatory bodies materially necessary to carry on its businesses as presently conducted and to sell its services and products; all such permits, licenses, orders, franchises and approvals are in full force and effect, and to the knowledge of WFSC and the Shareholders, after reasonable inquiry, no suspension or cancellation of any of such permits, licenses, orders, franchises and approvals is threatened; and each of WFSC and Kislak is in compliance in all material respects with all requirements, standards and procedures of the Federal, state, local and foreign governmental bodies which have issued such permits, licenses, orders, franchises and approvals.

2.15 *Banking Arrangements.* Schedule 2.15 attached hereto sets forth the name of each bank in or with which WFSC has an account or credit line, and a brief description of each such account or credit line, including the names of all persons currently authorized to draw thereon or having access thereto; and the names of all persons, if any, now holding powers of attorney from WFSC and a summary statement of the terms thereof.

2.16 *Employee Benefit Plans.* WFSC does not maintain or make any employer contributions under any "pension" or "welfare" benefit plans, as defined by the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2.17 *No Breach.* Neither the execution and delivery of this Agreement nor compliance by WFSC and the Shareholders with any of the provisions hereof nor the consummation of the transactions contemplated hereby, will: (a) violate or conflict with any provision of the Articles of Incorporation or By-laws of WFSC; or (b) violate or, alone or with notice or the passage of time, result in the material breach or termination of, or otherwise give any contracting party the right to terminate, or declare a default under, the terms of any agreement or other document or undertaking, oral or written, to which WFSC or any of the Shareholders is a party or by which any of them or any of their respective properties or assets may be bound; or (c) result in the creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of WFSC or any Stockholder; or (d) violate any judgment, order, injunction, decree or award against, or binding upon, WFSC or any of its Shareholders or their respective properties or

assets; or (c) violate any law or regulation of any jurisdiction relating to WFSC or any of its Shareholders, their respective securities, assets or properties, the violation of which would have a Material Adverse Effect.

2.18 *Brokers.* Neither WFSC nor any of the Shareholders has engaged, consented to, or authorized any broker, finder, investment banker or other third party to act on its behalf, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement, and WFSC agrees to indemnify Parent and WAC against, and to hold them harmless from, any claim for brokerage or similar commission or other compensation which may be made against Parent or WAC by any third party in connection with the transactions contemplated hereby which claim is based upon any action by WFSC or any of the Shareholders.

2.19 *Investment Representations.*

(a) Each Shareholder has been given access to all information relating to the business and assets of Parent which such Shareholder has requested. On the basis of the foregoing, each Shareholder is familiar with the operations, business plans and financial condition of Parent.

(b) Each Shareholder understands that Parent proposes to issue and deliver the Parent Shares, if any, in exchange for the shares of WFSC Common Stock pursuant to the Merger without compliance with the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"); that for such purpose Parent will rely upon the representations, warranties, covenants and agreements contained herein; and that such non-compliance with registration is not permissible unless such representations and warranties are correct and such covenants and agreements performed.

(c) Each Shareholder understands that neither Parent nor WAC is under any obligation to effect a registration of the Parent Shares under the Securities Act.

(d) Each Shareholder understands that, under existing rules of the Securities and Exchange Commission (the "SEC"), there are substantial restrictions on the transferability of the Parent Shares; such shares will not be, and such Shareholder will have no rights to require that such shares be, registered under the Securities Act; such shares may be transferred only if registered under the Securities Act or if an exemption from such registration is available; each Shareholder may not be able to avail itself or himself, as the case may be, of the provisions of Rule 144 promulgated by the SEC under the Securities Act with respect to the transfer of such shares; and, accordingly, each Shareholder may have to hold such shares issued to it or him pursuant to the Merger indefinitely.

(e) Each Shareholder understands that the acquisition of the Parent Shares is highly speculative and subject to significant risks, including a lack of liquidity and significant restrictions on transfer.

(f) Each Shareholder is acquiring such shares of Parent Common Stock for such Shareholder's own account and not with a view to or for sale in connection with, the distribution thereof within the meaning of the Securities Act.

(g) Each Shareholder understands that the certificates evidencing the Parent Shares will bear appropriate restrictive legends.

2.20 *Untrue or Omitted Facts.* No representation, warranty or statement by WFSC or the Shareholders in this Agreement or the schedules and exhibits hereto contains any untrue statement of a material fact, or omits or will omit to state a fact necessary in order to make such representations, warranties or statements not materially misleading. Without limiting the generality of the foregoing, there is no fact known to WFSC or the Shareholders, after reasonable inquiry, that has had, or which may be reasonably expected to have, a Material Adverse Effect that has not been disclosed in this Agreement or the schedules and exhibits hereto.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PARENT AND WAC

Parent and WAC, jointly and severally, make the following representations and warranties to WFSC and the Shareholders:

3.1 *Valid Corporate Existence; Qualification.* Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of California and WAC is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of Parent and WAC has the corporate power to carry on its business as now conducted and to own its assets and is qualified to conduct its business in other jurisdictions where such business is carried out. There is no jurisdiction, other than California and Delaware, in which Parent is so qualified, in which the failure to qualify to conduct business would have a material adverse effect on Parent, its assets, properties, business, financial condition or prospects (a "Material Adverse Effect"), and there has not been any claim by any jurisdiction to the effect that Parent or WAC is required to qualify or otherwise be authorized to do business as a foreign corporation therein. The copies of WAC's Certificate of Incorporation and Parent's Articles of Incorporation, as amended to date (certified by the Secretary of State of the relevant jurisdiction), and their By-Laws, as amended to date (certified by the Secretary of the relevant entity), which have heretofore been delivered to WFSC and the Shareholders, are true and complete copies of those documents as in effect on the date hereof. The minute books of Parent and WAC contain accurate records of substantially all meetings of the Boards of Directors of such corporations, all committees thereof and stockholders since its incorporation, and accurately and substantially reflect all material transactions referred to therein or engaged in by Parent and WAC.

3.2 *Capitalization.* The authorized capital stock of Parent consists of: (a) 1,000,000 shares of Parent Common Stock, of which 262,000 shares are presently issued and outstanding (All of such issued and outstanding shares of Parent Common Stock are duly authorized, validly issued, fully paid and nonassessable and owned of record and beneficially as set forth on Schedule 3.2 attached hereto and made a part hereof); and (b) 1,000,000 shares of Preferred Stock, none of which shares are presently issued and outstanding. Immediately prior to the Closing, the authorized capital stock of the Parent shall consist of: (a) 1,000,000 shares of Parent Common Stock, of which 262,000 shares will be issued and outstanding; and (b) 150,000 shares of Preferred Stock, none of which shares will be issued and outstanding. There are no subscriptions, options, warrants, rights or calls or other commitments or agreements to which Parent is a party or by which it is bound, calling for the issuance, transfer, sale or other disposition of any class of securities of Parent and there are no outstanding securities of Parent convertible or exchangeable, actually or contingently, into shares of Parent Common Stock or any other securities of Parent. All transfer taxes, if any, with respect to transfers of capital stock of Parent made prior to the date hereof have been paid.

3.3 *Subsidiaries.* Except as set forth in Schedule 3.3, there are no corporations, partnerships and other business entities controlled by Parent (collectively, its "Subsidiaries") other than WAC. (As used herein, "controlled by" means (a) the ownership of not less than 50% of the voting securities or other interests of a corporation, partnership or other business entity, or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a corporation, partnership or other business entity, whether through ownership of voting shares, by contract or otherwise). Except as set forth in Schedule 3.3, Parent has not made any investment in, and does not own any of the capital stock of, or any other proprietary interest in any other corporation, partnership or other business entity.

3.4 *Consents.* There are no consents of governmental and other regulatory agencies, foreign or domestic, and of other parties required to be received by or on the part of Parent or WAC to enable each of them to enter into and carry out this Agreement.

3.5 *Corporate Authority; Binding Nature of Agreement.* Each of Parent and WAC has the power to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors and duly approved, to the extent necessary by the Shareholders of Parent and WAC and no other corporate proceedings are necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement constitutes the valid and binding obligation of Parent and WAC and is enforceable against Parent and WAC in accordance with its terms.

3.6 *Ownership of WAC Common Stock.* Parent owns all of the issued and outstanding shares of WAC. There are no outstanding rights of subscription, warrants, calls, options, contracts or other agreements of any kind, issued or granted to purchase shares of Parent or WAC, except pursuant to the provisions hereof.

3.7 *Financial Statements.* The unaudited financial statements of Parent (the "Parent Financial Statements") as of and for the period ended July 31, 1996 (the "Balance Sheet Date") are attached hereto as Schedule 3.7. The Parent Financial Statements, except for the omission of notes thereto, were prepared in accordance with generally accepted accounting principles applied on a consistent basis, present fairly the financial position, results of operations and changes in financial position of Parent as of such date and for the period then ended (subject to normal year-end audit adjustments which are not material), and are in accordance with the books of account and records of Parent.

3.8 *Liabilities.* As at the Balance Sheet Date, Parent had no material debts, liabilities or obligations, contingent or absolute, other than those debts, liabilities and obligations reflected or reserved against in Parent's Balance Sheet, and there was no basis for the assertion against Parent or of any liability or obligation not so reflected therein.

3.9 *Actions Since the Balance Sheet Date.* Except as otherwise expressly provided or set forth in, or required by, this Agreement, or as set forth in Schedule 3.9 attached hereto, since the Balance Sheet Date, Parent has not: (a) issued or sold, or agreed to issue or sell, any of its capital stock, options, warrants, rights or calls to purchase such stock, any securities convertible or exchangeable into such capital stock or other corporate securities, or effected any subdivision or other recapitalization affecting its capital stock; (b) incurred any material obligation or liability, absolute or contingent, except those arising in the ordinary and usual course of business consistent with past practices or in connection with the transactions contemplated hereby; (c) discharged or satisfied any lien or encumbrance, except in the ordinary and usual course of business, or paid or satisfied any liability, absolute or contingent, other than liabilities as at the Balance Sheet Date and current liabilities incurred since the Balance Sheet Date in the ordinary and usual course of business consistent with past practices; (d) made any wage or salary increases or granted any bonuses; (e) mortgaged, pledged or subjected to any lien, pledge, charge or other encumbrance any of its properties or assets, or permitted any of its property or assets to be subjected to any lien, pledge, charge or other encumbrance; (f) sold, assigned or transferred any of its properties or assets, except in the ordinary and usual course of business consistent with past practices; (g) other than this Agreement or the transactions contemplated hereby, entered into any transaction or course of conduct not in the ordinary and usual course of business consistent with past practices; (h) waived any rights of substantial value, or canceled, modified or waived any indebtedness for borrowed money held by it; (i) declared, paid or set aside any dividends or other distributions or payments on its capital stock, or redeemed or repurchased, or agreed to redeem or repurchase, any shares of its capital stock; (j) made any loans or advances to any person, or assumed, guaranteed, endorsed or otherwise became responsible for the obligations of any person; or (k) incurred any indebtedness for borrowed money (except endorsement, for collection or deposit, of negotiable instruments received in the ordinary and usual course of business consistent with past practices).

3.10 *Adverse Developments.* Since the Balance Sheet Date, there have been no material adverse changes in the assets, properties, operations or financial condition of Parent, and no event has occurred which could be reasonably expected to have a Material Adverse Effect upon the business of Parent and Parent, after reasonable inquiry, knows of no development or

threatened development of a nature that has, or which could be reasonably expected to have, a Material Adverse Effect upon Parent.

3.11 Taxes. All taxes, including, without limitation, income, property, sales, use, franchise, capital stock, excise, value added, employees' income withholding, social security and unemployment taxes imposed by the United States, any state, locality or any foreign country, or by any other taxing authority, which have or may become due or payable by Parent and all interest and penalties thereon, whether disputed or not, have been paid in full or adequately provided for by reserves shown in its books of account; all deposits required by law to be made by Parent or with respect to estimated income, franchise and employees' withholding taxes have been duly made; and all tax returns, including estimated tax returns, required to be filed have been duly filed. No extension of time for the assessment of deficiencies for any year is in effect. No deficiency notice is proposed, or to the knowledge of Parent, after reasonable inquiry, threatened against Parent. The Federal and state income tax returns of Parent have never been audited.

3.12 Ownership of Assets. Except as set forth in Schedule 3.12, Parent owns outright, and has good and marketable title to (with respect to owned property) and the right to use (with respect to leased property) all of its assets, properties and businesses (including all assets reflected in the Balance Sheet, except as the same may have been disposed of in the ordinary and usual course of business consistent with past practices since the Balance Sheet Date), free and clear of all liens, mortgages, pledges, claims, conditional sales agreements, restrictions on transfer or other encumbrances or charges whatsoever. The personal property and intangible assets owned by Parent are sufficient to permit Parent to conduct its business as now conducted.

3.13 Litigation; Compliance with Law. Except as set forth in Schedule 3.13, there are no actions, suits, proceedings or governmental investigations relating to Parent or its properties, assets or business pending or, to the knowledge of Parent, after reasonable inquiry, threatened, or any order, injunction, award or decree outstanding against Parent or against or relating to any of their respective properties, assets or business; and Parent after reasonable inquiry, knows of no basis for any such action, suit, proceeding, governmental investigation, order, injunction or decree. To the knowledge of Parent, Parent is not in violation of any law, regulation, ordinance, order, injunction, decree, award, or other requirement of any governmental body, court or arbitrator relating to their respective properties, assets or business, the violation of which would have a Material Adverse Effect.

3.14 Permits and Licenses. Parent has all material permits, licenses, orders and approvals of all Federal, state, local and foreign governmental or regulatory bodies materially necessary to carry on its businesses as presently conducted and to sell its services and products; all such permits, licenses, orders, franchises and approvals are in full force and effect, and to the knowledge of Parent, after reasonable inquiry, no suspension or cancellation of any of such permits, licenses, orders, franchises and approvals is threatened; and Parent is in compliance in all material respects with all requirements, standards and procedures of the Federal, state, local and foreign governmental bodies which have issued such permits, licenses, orders, franchises and approvals.

3.15 *No Breach.* Neither the execution and delivery of this Agreement nor compliance by Parent and WAC with any of the provisions hereof nor the consummation of the transactions contemplated hereby, will: (a) violate or conflict with any provision of the charter documents or By-laws of Parent and WAC, or (b) violate or, alone or with notice or the passage of time, result in the material breach or termination of, or otherwise give any contracting party the right to terminate, or declare a default under, the terms of any agreement or other document or undertaking, oral or written, to which Parent or WAC is a party or by which any of them or any of their respective properties or assets may be bound (except for such violations, conflicts, breaches or defaults as to which required waivers or consents by other parties have been, or will, prior to the Closing, be, obtained); or (c) result in the creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Parent or WAC; or (d) violate any judgment, order, injunction, decree or award against, or binding upon, Parent or WAC or their respective properties or assets; or (e) violate any law or regulation of any jurisdiction relating to Parent or WAC, their respective securities, assets or properties, the violation of which would have a Material Adverse Effect.

3.16 *Brokers.* Neither Parent nor WAC has engaged, consented to, or authorized any broker, finder, investment banker or other third party to act on its behalf, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement, and Parent agrees to indemnify WFSC and the Shareholders against, and to hold them harmless from, any claim for brokerage or similar commission or other compensation which may be made against WFSC or the Shareholders by any third party in connection with the transactions contemplated hereby which claim is based upon any action by Parent or WAC.

3.17 *Investment Representations.*

(a) Parent has been given access to all information relating to the business and assets of WFSC which Parent has requested. On the basis of the foregoing, Parent is familiar with the operations, business plans and financial condition of WFSC.

(b) Parent understands that, to the extent it is deemed to be acquiring the shares of WFSC, such shares are being acquired without compliance with the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"); that for such purpose WFSC and the Surviving Corporation will rely upon the representations, warranties, covenants and agreements contained herein; and that such non-compliance with registration is not permissible unless such representations and warranties are correct and such covenants and agreements performed.

(c) Parent understands that there is no obligation to effect a registration of any securities under the Securities Act.

(d) Parent understands that, under existing rules of the Securities and Exchange Commission (the "SEC"), there are substantial restrictions on the transferability of the shares of the Surviving Corporation; such shares will not be, and Parent will have no rights to

require that such shares be registered under the Securities Act; such shares may be transferred only if registered under the Securities Act or if an exemption from such registration is available; Parent may not be able to avail itself or himself, as the case may be, of the provisions of Rule 144 promulgated by the SEC under the Securities Act with respect to the transfer of such shares; and, accordingly, each Parent may have to hold such shares issued to it pursuant to the Merger indefinitely.

(e) Parent understands that the acquisition of the shares of WFSC is highly speculative and subject to significant risks, including a lack of liquidity and significant restrictions on transfer.

(f) Parent is acquiring such shares of the Surviving Corporation for its own account and not with a view to or for sale in connection with, the distribution thereof within the meaning of the Securities Act.

3.18 *Untrue or Omitted Facts.* No representation, warranty or statement by Parent or WAC in this Agreement or the schedules and exhibits hereto contains any untrue statement of a material fact, or omits or will omit to state a fact necessary in order to make such representations, warranties or statements not materially misleading. Without limiting the generality of the foregoing, there is no fact known to Parent or WAC, after reasonable inquiry, that has had, or which may be reasonably expected to have, a Material Adverse Effect that has not been disclosed in this Agreement or the schedules and exhibits hereto.

ARTICLE IV

PRE-CLOSING COVENANTS

WFSC and the Shareholders hereby covenant that from and after the date hereof and until the Closing or earlier termination of this Agreement:

4.1 *Access.* WFSC shall afford and the Shareholders shall cause WFSC to afford to the officers, attorneys, accountants and other authorized representatives of Parent free and full access, during regular business hours and upon reasonable notice, to all of their books, records, personnel and properties so that Parent and WAC, at their own expense, may have full opportunity to make such review, examination and investigation as Parent and WAC may desire of WFSC and its business and affairs. WFSC will cause its employees, accountants and attorneys to cooperate fully with said review, examination and investigation and to make full disclosure to Parent of all material facts affecting WFSC's financial condition and business operations.

4.2 *Conduct of Business.* WFSC shall conduct its business only in the ordinary and usual course consistent with past practices and make no change in its business practices and policies without the prior written consent of Parent and WAC.

4.3 *Liabilities.* WFSC shall not incur any obligation or liability, absolute or contingent, except for those incurred in the ordinary and usual course of its business consistent with past practices or in connection with the transactions contemplated hereby, without the prior written consent of Parent and WAC.

4.4 *Preservation of Business.* WFSC will use its best efforts to preserve its business organization intact, to keep available the services of its present officers, employees and consultants and to preserve its good will.

4.5 *No Breach.* WFSC and the Shareholders will (a) use their best efforts to assure that all of their respective representations and warranties contained herein are true and correct in all material respects as of the Closing as if repeated at and as of such time, and that no material breach or default shall occur with respect to any of their covenants, representations or warranties contained herein that has not been cured by the Closing; (b) not voluntarily take any action or do anything which will cause a breach of or default respecting such covenants, representations or warranties; and (c) promptly notify Parent and WAC of any event or fact which represents or is likely to cause such a breach or default.

4.6 *Financial Information.* WFSC will provide Parent with such financial information of WFSC up to and including the Closing Date as Parent and WAC may reasonably request.

4.7 *No Negotiations.* Neither WFSC, the Shareholders nor any of WFSC's officers or directors nor any of its respective affiliates, employees, agents or representatives shall enter into or conduct negotiations, or enter into any agreement or understanding, for the sale or possible sale of any of WFSC's securities or business or all or substantially all of its assets with anyone other than Parent.

4.8 *No Dividends or Fees.* WFSC shall not pay any dividends or distributions to any of the Shareholders.

ARTICLE V

CONDITIONS PRECEDENT TO THE OBLIGATION OF PARENT AND WAC TO CLOSE

The obligation of Parent and WAC to close hereunder is subject to the fulfillment, prior to or at the Closing, of each of the following conditions, any one or more of which may be waived by Parent and WAC (except when the fulfillment of such condition is a requirement of law):

5.1 *Representations and Warranties.* All representations and warranties of WFSC and the Shareholders contained in this Agreement and in any written statement (including

financial statements), schedule, exhibit, certificate or other document delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and correct in all material respects as at the Closing Date, as if made at the Closing and as of the Closing Date.

5.2 *Covenants.* WFSC and the Shareholders shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by each of them prior to or at the Closing.

5.3 *No Actions.* No action, suit, proceeding or investigation shall have been instituted, and be continuing before a court or before or by a governmental body or agency, or shall have been threatened and be unresolved, to restrain or to prevent or to obtain damages in respect of, the carrying out of the transactions contemplated hereby, or which might materially affect the right of Parent to own the WAC Common Stock or to operate or control the assets, properties and business of WAC after the Closing Date, or which might have a Material Adverse Effect.

5.4 *Corporate Actions.* All actions necessary to authorize the execution, delivery and performance of this Agreement by WFSC and the Shareholders and the consummation of the transactions contemplated hereby shall have been duly and validly taken and WFSC and the Shareholders shall have full power and right to consummate the transactions contemplated by this Agreement.

5.5 *Additional Documents.* WFSC and the Shareholders shall have delivered all certified resolutions, certificates and documents as Parent or WAC or their counsel may have reasonably requested.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF WFSC AND THE SHAREHOLDERS TO CLOSE

The obligation of WFSC and the Shareholders to close hereunder is subject to the fulfillment, prior to or at the Closing, of each of the following conditions, any one or more of which may be waived by WFSC and the Shareholders (except when the fulfillment of such condition is a requirement of law):

6.1 *Representations and Warranties.* All representations and warranties of Parent and WAC contained in this Agreement and in any written statement, schedule, exhibit, certificate or other document delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and correct in all material respects as at the Closing Date, as if made at the Closing and as of the Closing Date.

6.2 *Covenants.* Parent and WAC shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by each of them prior to or at the Closing.

6.3 *No Actions.* No action, suit, proceeding or investigation shall have been instituted, and be continuing, before a court or before or by a governmental body or agency, or shall have been threatened, and be unresolved, to restrain or prevent, or obtain damages in respect of, the carrying out of the transactions contemplated hereby.

6.4 *Corporate Actions.* All actions necessary to authorize the execution, delivery and performance of this Agreement by Parent and WAC and the consummation of the transactions contemplated hereby shall have been duly and validly taken and Parent and WAC shall have full power and right to consummate the transactions contemplated by this Agreement.

6.5 *Additional Documents.* Parent and WAC shall have delivered all such certified resolutions, certificates and documents with respect to Parent and WAC as WFSC and the Shareholders and their counsel may have reasonably requested.

ARTICLE VII

CLOSING DELIVERIES

7.1 *Items to be Delivered by WFSC and/or the Shareholders.* At the Closing, WFSC will deliver to Parent and WAC and the Shareholders will deliver or will cause WFSC to deliver to Parent and WAC:

- (a) the certificates evidencing WFSC Common Stock;
- (b) certified copies of all corporate action required by Section 5.4 hereof;
- (c) the Articles of Merger required by Section 1.2 hereof; and
- (d) such other certified resolutions, documents and certificates as are required to be delivered by WFSC and the Shareholders pursuant to the provisions of this Agreement, including a certificate of the Shareholders to the effect that all of the representations and warranties referred to in Section 5.1 are true and correct in all material respects as of the Closing Date.

7.2 *Items to be Delivered by Parent and WAC.* At the Closing, Parent or WAC will deliver to WFSC and the Shareholders:

- (a) certificates evidencing the Parent Shares;

- (b) certified copies of all corporate action required by Section 6.4 hereof;
- (c) the Articles of Merger required by Section 1.2 hereof; and
- (d) such other certified resolutions, documents and certificates as are required to be delivered by Parent or WAC pursuant to the provisions of this Agreement, including a certificate of then duly authorized officers to the effect that all of the representations and warranties referred to in Section 6.1 are true and correct in all material respects as of the Closing Date.

ARTICLE VIII

SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

8.1 *Survival.* Except as set forth in Sections 8.2, 8.3, 10.10, and 10.11, the parties agree that their respective representations, warranties, covenants and agreements contained in this Agreement shall expire at the Closing.

8.2 *Indemnification.*

(a) WFSC and the Shareholders, jointly and severally, agree to save, defend and indemnify Parent and WAC against and hold each of them harmless from any and all costs, damages, expenses, obligations and liabilities, of every kind, nature and description, fixed or contingent (including, without limitation, counsel fees and expenses in connection with any action, claim or proceeding relating to such obligations or liabilities) (collectively, "Damages"), arising by reason of any breach or failure of observance or performance of any representation, warranty, covenant, agreement or commitment made by WFSC or the Shareholders hereunder or as a result of any such representation, warranty, covenant, agreement or commitment being untrue or incorrect in any material respect. Notwithstanding the foregoing, no indemnification hereunder shall be required unless the aggregate Damages in respect of which indemnification is sought exceeds \$100,000, and the maximum aggregate amount of Damages for which WFSC shall be liable hereunder shall be \$250,000 and the maximum aggregate amount of Damages for which each Shareholder shall be liable for hereunder shall be limited to his percentage of the number of Parent Shares received by the Shareholder in the Merger multiplied by \$250,000.

(b) Parent and WAC, jointly and severally, agree to save, defend and indemnify WFSC and the Shareholders against and hold each of them harmless from any and all costs, damages, expenses, obligations and liabilities, of every kind, nature and description, fixed or contingent (including, without limitation, counsel fees and expenses in connection with any action, claim or proceeding relating to such obligations or liabilities) (collectively, "Damages"), arising by reason of any breach or failure of observance or performance of any representation, warranty, covenant, agreement or commitment made by Parent or WAC hereunder or as a result of any such representation, warranty, covenant, agreement or commitment being untrue or incorrect in any material respect. Notwithstanding the foregoing, no indemnification hereunder

shall be required unless the aggregate Damages in respect of which indemnification is sought exceeds \$100,000, and the maximum aggregate amount of Damages for which Parent or WAC shall be liable hereunder shall be \$250,000.

8.3 *Defense of Claims.* A party entitled to indemnification hereunder (an "Indemnified Party") agrees to notify each party obligated to provide indemnification hereunder (an "Indemnifying Party") with reasonable promptness of any claim asserted against it in respect of which any Indemnifying Party may be liable under this Agreement, which notification shall be accompanied by a written statement setting forth the basis of such claim and the manner of calculation thereof. An Indemnifying Party shall have the right to defend any such claim at its or his own expense and with counsel of its or his choice; provided, however, that such counsel shall have been approved by the Indemnified Party prior to engagement, which approval shall not be unreasonably withheld or delayed; and provided further, that the Indemnified Party may participate in such defense, if it so chooses, with its own counsel and at its own expense.

ARTICLE IX

TERMINATION AND WAIVER

9.1 *Termination.* Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and the transactions provided for herein abandoned at any time prior to the Closing Date:

- (a) By mutual consent of the Boards of Directors of Parent, WAC and WFSC;
- (b) By Parent and WAC if any of the conditions set forth in Article V hereof shall not have been fulfilled on or prior to August 30, 1996, or shall become incapable of fulfillment, and shall not have been waived; or
- (c) By WFSC or the Shareholders if any of the conditions set forth in Article VI hereof shall not have been fulfilled on or prior to August 30, 1996, or shall have become incapable of fulfillment, and shall not have been waived.

If this Agreement is terminated as described above, this Agreement shall be void and of no force and effect, without any liability or obligation on the part of any of the parties except for any liability which may arise pursuant to Section 10.2 hereof.

9.2 *Waiver.* Any condition to the performance of the parties which legally may be waived on or prior to the Closing Date may be waived at any time by the party entitled to the benefit thereof by action taken or authorized by an instrument in writing executed by the relevant party or parties. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same. No waiver by any party of the breach of any term, covenant, representation or warranty contained in this Agreement as a condition to such party's obligations hereunder shall release or

affect any liability resulting from such breach, and no waiver of any nature, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or of any breach of any other term, covenant, representation or warranty of this Agreement.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 *Expenses.* Each of the parties shall bear its own expenses in connection herewith, provided that WFSC shall bear the expenses of the Shareholders.

10.2 *Confidential Information.* Each party agrees that such party and its representatives will hold in a fiduciary capacity and in strict confidence all information, knowledge, data and documents received from the other parties and, if the transactions herein contemplated shall not be consummated, each party will continue to hold such information and documents in strict confidence and will return to such other parties all such documents (including the schedules and exhibits attached to this Agreement) then in such receiving party's possession without retaining copies thereof; provided, however, that each party's obligations under this Section 10.2 to maintain such confidentiality shall not apply to any information or documents that are in the public domain at the time furnished by the others or that become in the public domain thereafter through any means other than as a result of any act of the receiving party or of its agents, officers, directors or stockholders which constitutes a breach of this Agreement, or that are required by applicable law to be disclosed. The parties agree that the remedy at law for any breach of the provisions of this Section 10.2 will be inadequate and Parent, WAC or WFSC shall be entitled to injunctive relief to compel the breaching party to perform or refrain from action required or prohibited hereunder.

10.3 *Publicity.* The parties agree that no publicity, releases or other public announcement concerning the transactions contemplated by this Agreement shall be issued by either party without the advance approval of both the form and substance of the same by the other party and its counsel, which approval, in the case of any publicity, release or other public announcement required by applicable law, shall not be unreasonably withheld or delayed.

10.4 *Entire Agreement.* This Agreement, including the schedules and exhibits hereto constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect to the subject matter hereof. The representations, warranties, covenants and agreements set forth in this Agreement and in the financial statements, schedules or exhibits delivered pursuant hereto constitute all the representations, warranties, covenants and agreements of the parties and upon which the parties have relied and except as may be specifically provided herein, no change, modification, amendment, addition or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith.

10.5 *Notices.* Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes if sent by certified or registered mail, return receipt requested and postage prepaid, Federal Express, Express Mail, hand delivered or sent by telegraph or telex as follows:

If to Parent or WAC, at:
United National Mortgage Corporation
405 Park Avenue
Suite 1104
New York, New York 10022
Attention: William M. Daugherty, Chairman of the Board

With a Copy to:

Dennis E. Carlton, Esq.
405 Park Avenue, #1104
New York, New York 10022

If to WFSC or the Shareholders, at:

Walex Financial Services Corporation
12150 East Monument Drive
Suite 610
Fairfax, Virginia 22033
Attention: Walter D. Shealy III, Chairman of the Board of Directors

With a Copy to:

Gary Epstein, Esq.
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A.
1221 Brickell Avenue
Miami, Florida 33131

or at such other address as any party may specify by notice given to the other parties in accordance with this Section 10.5. The date of giving of any such notice shall be the date of the actual receipt thereof.

10.6 *Waiver.* No waiver of the provisions hereof shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of a similar or different nature, unless expressly so stated in writing.

10.7 *Choice of Law.* This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Delaware. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement which can be effected without such illegal clause, section or part shall nevertheless continue in full force and effect.

10.8 *No Assignment.* This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns, heirs and personal representatives; provided, however, that no party may assign any of its or his rights or delegate any of its or his duties under this Agreement without the prior written consent of the other parties.

10.9 *Headings.* The headings or captions under sections of this Agreement are for convenience and reference only and do not in any way modify, interpret or construe the intent of the parties or effect any of the provisions of this Agreement.

10.10 *Tag Along Rights.* The agreements contained within this Section 10.10 and Section 10.11 are made exclusively by and between the Shareholders and Daugherty (collectively, the "Members" and individually a "Member"). If any of the Members (an "Offering Member") proposes to sell in any single transaction or a series of transactions all or part of its equity interest in the Parent (the "Offered Interest") then, prior to consummating any sale of the Offered Interest to any person: the Offering member must offer to sell to the other Members the Offered Interest on the same terms that the Offering Member proposes to sell the Offered Interest, and, for that purpose, the Offering Member shall give each Offeree Member prior notice thereof (the "First Refusal Notice"), indicating: (i) the number of shares constituting the Offered Interest, (ii) the cash price for which the Offering Member proposes to sell such Offered Interest (the "First Refusal Price"), (iii) all other material terms of the proposed sale, and (iv) the identity of the proposed purchaser. Such notice shall include a copy of any signed purchase agreement or letter of intent. It shall be a requirement that any person that proposes to purchase the Offered Interest shall have a good business reputation.

(a) Upon receipt of a First Refusal Notice, each Offeree Member shall have the right, exercisable in its sole discretion, to purchase such Offered Interest at the First Refusal Price and on the other terms specified in the First Refusal Notice. An Offeree Member may exercise its rights within thirty (30) days after receipt of the First Refusal Notice (the "First Refusal Election Date"). The Offering Member shall not be required to sell less than the entire Offered Interest. Any purchase of the Offered Interest by the Offeree Members shall be made ratably among the Offeree members electing to purchase the Offered Interest, according to such Offeree Members' respective ownership of shares of common stock of the Parent. If an Offeree Member elects to purchase such Offered Interest, then the closing of such acquisition shall occur on or prior to the date which is ninety (90) days after the First Refusal Election Date. The Offered Interest shall be sold to the Offeree Member(s) for cash free and clear of third-party claims.

(b) If either (i) the Offeree Members do not timely elect to purchase the entire Offered Interest in accordance with the preceding paragraph, or (ii) the Offeree Members elect to

purchase the Offered Interest, and the Offering Member tenders the Offered Interest free and clear of third-party claims and the Offeree Members fail to close the acquisition for any reason (the date of such failure to close or failure to elect, the "Offeree Devolution Date"), then the Offering Member shall have the right, during the ninety (90) day period commencing on the Offeree Devolution Date, to sell the Offered Interest to the purchaser identified in the First Refusal Notice, at a price which is no more favorable to such purchaser than the First Refusal Price and on terms that are no more favorable to such purchaser than the other terms specified in the First Refusal Notice. If such ninety (90) day period has expired and the Offering Member has not completed such a sale of the Offered Interest, then the Offering Member shall not have the right to effect such a sale of the Offered Interest without reoffering it to the Offeree Members in accordance with all of the provisions of this Section 10.10.

(c) Notwithstanding the provisions of Section 10.10(b), if the Offering Member decides to sell the Offered Interest to a non-Member pursuant to this Section 10.10, then the Offeree Members shall have the right to sell, concurrently with the sale by the Offering Member and on the same terms (including the same price per share), all or part of the Offeree Members' equity interest in the Parent (the "Tag-Along Rights"). If the Offeree Members exercise their Tag-Along Rights, the Offering Member shall use its best efforts to have such sale include that portion of the Offeree Member's interest which such Offeree Member proposes to include in such sale (the "Tag-Along Request"); provided, however, that the Tag-Along Request shall not be larger than the product of: (a) the Offered Interest, and (b) the quotient of (i) the Offeree Members' Tag-Along Request and (ii) the aggregate of all Tag-Along Requests and the Offered Interest. The Offeree Member shall exercise its Tag-Along Right by giving written notice to the Offering Member within thirty-five (35) days (which notice shall include the Tag-Along Request) after receipt of written notice from the Offering Member stating its intent to dispose of all or part of its interest. Such notice by the Offeree Member shall constitute a non-binding statement of its good faith intention to exercise its Tag-Along Right. From and after its receipt of such notice from the Offeree Member, the Offering Member shall keep the Offeree Member fully informed as to the status of the Offering Member's negotiations and all material terms relating to such Transfer, and shall promptly deliver to the Offeree Member copies of all drafts of agreements relating thereto.

10.11 Transfer to Affiliates. Notwithstanding anything to the contrary in Section 10.10, a Member may transfer its equity interests in the Parent to an affiliate of such Member who has agreed to be bound by the provisions of this Agreement in the same manner as the transferring Member without triggering the rights set forth in Section 10.10.

WITNESS, the execution of this Agreement as of the date first above written.

UNITED NATIONAL MORTGAGE
CORPORATION

By: _____
Name: William M. Daugherty
Title: Chairman of the Board

WALEX ACQUISITION CORP.

By: _____
Name: William M. Daugherty
Title: Chairman of the Board

WALEX FINANCIAL SERVICES
CORPORATION

By: _____
Name: Walter D. Shealy III
Title: Chairman of the Board

William B. Daugherty

THE SHAREHOLDERS:

Walter D. Shealy III

E. U. Alexander Schultes

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