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PO BOX 14610

409 EAST GAINES STREET  
TALLAHASSEE, FL 32399

FT LAUDERDALE FL 33302-461094

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PHONE: (305) 763-1200  
FAX: (305) 523-1952

*KATHY E RASLER*

((H96000002739))

DOCUMENT TYPE: FLORIDA PROFIT CORPORATION OR P.A.

NAME: NEWREACH, INC.

FAX AUDIT NUMBER: H96000002739

CURRENT STATUS: REQUESTED

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ARTICLES OF INCORPORATION  
OF  
NEWREACH, INC.

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TALLAHASSEE, FLORIDA

The undersigned, a natural person competent to contract, does hereby make, subscribe and file these Articles of Incorporation for the purpose of organizing a corporation under the laws of the State of Florida.

ARTICLE I  
CORPORATE NAME

The name of this Corporation shall be: Newreach, Inc.

ARTICLE II  
PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office and mailing address of the Corporation is 790 S. Military Trail, Deerfield Beach, Florida 33442.

ARTICLE III  
NATURE OF CORPORATE BUSINESS AND POWERS

The general nature of the business to be transacted by this Corporation shall be to engage in any and all lawful business permitted under the laws of the United States and the State of Florida.

ARTICLE IV  
CAPITAL STOCK

The maximum number of shares that this Corporation shall be authorized to issue and have outstanding at any one time shall be 1,000 shares of common stock, par value \$.001 per share.

H96000002739

GAYLE COLEMAN, ESQ., FL BAR # 857327  
ATLAS, PEARLMAN, TROP & BORKSON, P.A.  
200 EAST LAS OLAS BOULEVARD, SUITE 1900  
FORT LAUDERDALE, FLORIDA 33301  
PHONE NO.: (954) 763-1200

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**ARTICLE V**  
**TERM OF EXISTENCE**

This Corporation shall have perpetual existence.

**ARTICLE VI**  
**REGISTERED AGENT AND**  
**INITIAL REGISTERED OFFICE IN FLORIDA**

The Registered Agent and the street address of the Initial Registered Office of this Corporation in the State of Florida shall be:

Richard R. Dwyer, Jr.  
790 S. Military Trail  
Deerfield Beach, Florida 33442

**ARTICLE VII**  
**INITIAL DIRECTORS**

The name and address of the Initial Directors of this Corporation are:

Richard R. Dwyer, Jr.  
790 S. Military Trail  
Deerfield Beach, Florida 33442

The persons named as initial Directors shall hold office for the first year of existence of this Corporation, or until their successors are elected or appointed and have qualified, whichever occurs first.

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**ARTICLE VIII  
INCORPORATOR**

The name of the person signing these Articles of Incorporation as the Incorporator is Richard R. Dwyer, Jr., 4891 North University Drive, Suite 365, Coral Springs, Florida 33067.

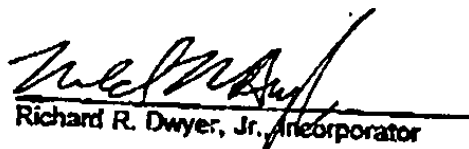
**ARTICLE IX  
INDEMNIFICATION**

This Corporation may indemnify any director, officer, employee or agent of the Corporation to the fullest extent permitted by Florida law.

**ARTICLE X  
AFFILIATED TRANSACTIONS**

This Corporation expressly elects not to be governed by Section 607.0901 of the Florida Business Corporation Act, as amended from time to time, relating to affiliated transactions.

IN WITNESS WHEREOF, the undersigned Incorporator has executed the foregoing Articles of Incorporation on the 21th day of February, 1996.

  
Richard R. Dwyer, Jr., Incorporator

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**CERTIFICATE DESIGNATING REGISTERED AGENT  
AND OFFICE FOR SERVICE OF PROCESS**

Nowreach, Inc., a corporation existing under the laws of the State of Florida with its principal office and mailing address at 790 S. Military Trail, Deerfield Beach, Florida 33442 has named Richard R. Dwyer, Jr., whose address is 4891 North University Drive, Suite 365, Coral Springs, Florida 44308, as its agent to accept service of process within the State of Florida.

**ACCEPTANCE:**

Having been named to accept service of process for the above named Corporation, at the place designated in this Certificate, I hereby accept the appointment as Registered Agent, and agree to comply with all applicable provisions of law. In addition, I hereby am familiar with and accept the duties and responsibilities as Registered Agent for said Corporation.

  
Richard R. Dwyer, Jr.

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TALLAHASSEE, FLORIDA

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FLORIDA DEPARTMENT OF STATE  
Sandra B. Mortham  
Secretary of State

ARTICLES OF MERGER  
Merger Sheet

.....  
MERGING:

M.J.A. TECHNOLOGIES, INC., a Florida corporation, V00420

INTO,

NEWREACH, INC., a Florida corporation, P96000017993

File date: February 29, 1996

Corporate Specialist: Linda Stitt

2/29/96

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FROM: ATLAS, PEARLMAN, TROP & BORKSON, P.A  
PO BOX 14610

409 EAST GAINES STREET  
TALLAHASSEE, FL 32399

FT LAUDERDALE FL 33302-4610

FAX: (904) 922-4000

CONTACT: KATHY E RASLER

PHONE: (305) 763-1200

FAX: (305) 523-1952

((H96000002904)))

DOCUMENT TYPE: MERGER OR SHARE EXCHANGE

NAME: NEWREACH, INC.

FAX AUDIT NUMBER: H96000002904

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TALLAHASSEE, FL

## ARTICLES OF MERGER

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These Articles of Merger are entered into this 28th day of February, 1996, by and between Salamander Communications Corporation, a Florida corporation ("SCC"), Newreach, Inc. ("NRI"), a Florida corporation, and M.J.A. Technologies, Inc., a Florida corporation, ("MJA").

## WITNESSETH

**WHEREAS**, SCC has an authorized capital stock consisting of 50,000,000 shares of Common Stock, par value \$.001 per share, of which 1,080,000 shares have been duly issued and are now outstanding; and

**WHEREAS**, NRI has an authorized capital stock consisting of 1,000 shares of Common Stock, par value \$.001 per share, of which 100 shares have been duly issued and are now outstanding; and

**WHEREAS**, MJA has an authorized capital stock consisting of 1,000 shares of Common Stock, par value \$.0001 per share, of which 1,000 shares were duly issued and outstanding; and

**WHEREAS**, the Boards of Directors of SCC, NRI, and of MJA, respectively, deem it advisable and generally to the advantage and welfare of the two corporate parties and their respective shareholders that NRI merge with MJA under and pursuant to the provisions of Florida Business Corporation Act so that MJA shall be merged into NRI; and

**WHEREAS**, the respective shareholders of MJA, NRI and SCC have approved the terms and conditions of the merger.

**NOW, THEREFORE**, in consideration of the premises and of the mutual agreements herein contained and of the mutual benefits hereby provided, it is agreed by and between the parties hereto as follows:

1. Approval. On February 28, 1996, the directors of MJA, the directors of NRI and the directors of SCC unanimously adopted and approved these Articles of Merger by Written Consents to Action, each dated February 28, 1996. These Articles of Merger were unanimously approved in their entirety by the shareholders of SCC, NRI and MJA by Written Consents to Action, each dated February 28, 1996.

2. Merger. MJA shall be and hereby is merged into NRI.

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GAYLE COLEMAN, ESQ. #857327  
ATLAS, PEARLMAN, TROP & BORKSON  
200 E. Los Olas, Suite 1900  
Ft. Lauderdale, FL 33301  
(954) 766-7819



3. Effective Date. These Articles of Merger shall become effective immediately upon compliance with the laws of the State of Florida, the time of such effectiveness being hereinafter called the Effective Date.

4. Surviving Corporation. NRI shall survive the merger herein contemplated and shall continue to be governed by the laws of the State of Florida, but the separate corporate existence of MJA shall cease forthwith upon the Effective Date.

5. Authorized Capital. The authorized capital stock of NRI following the Effective Date shall be 1,000 shares of Common Stock, par value \$.001 per share, unless and until the same shall be changed in accordance with the laws of the State of Florida.

6. Articles of Incorporation. The Articles of Incorporation of NRI following the Effective Date unless and until the same shall be amended or repealed in accordance with the provisions thereof, which power to amend or repeal is hereby expressly reserved, and all rights or powers of whatsoever nature conferred in such Articles of Incorporation or herein upon any shareholder or director or officer of NRI or upon any other person whomsoever are subject to this reserve power, shall continue as the Articles of Incorporation shall constitute the Articles of Incorporation of NRI separate and apart from these Articles of Merger and may be separately certified as the Articles of Incorporation of NRI.

7. Bylaws. The Bylaws of NRI shall be Bylaws of NRI as the surviving corporation following the Effective Date unless and until the same shall be amended or repealed in accordance with the provisions thereof.

8. Further Assurance of Title. If at any time, NRI shall consider or be advised that any acknowledgments or assurances in law or other similar actions are necessary or desirable in order to acknowledge or confirm in and to NRI any right, title, or interest of MJA held immediately prior to the Effective Date, MJA and its proper officers and directors shall and will execute and deliver all such acknowledgments or assurances in law and do all things necessary or proper to acknowledge or confirm such right, title, or interest in NRI as shall be necessary to carry out the purposes of these Articles of Merger, and NRI and the proper officers and directors thereof are fully authorized to take any and all such action in the name of MJA or otherwise.

9. Retirement of Organization Stock. Forthwith upon the Effective Date, each of the 1000 shares of the Common Stock of MJA presently issued and outstanding shall be retired, and no shares of Common Stock or other securities of MJA shall be issued in respect thereof.

10. Conversion of Outstanding Stock. Forthwith upon the Effective Date, each of the issued and outstanding shares of Common Stock of MJA and all rights in respect

thereof shall be converted into Seven Hundred Twenty (720) fully paid and nonassessable shares of Common Stock of SCC, and each certificate nominally representing shares of Common Stock of MJA shall for all purposes be deemed to evidence the ownership of Common Stock of SCC on a basis of Seven Hundred Twenty (720) shares of SCC Common Stock for each one (1) share of MJA Common Stock. The holders of such certificates shall not be required immediately to surrender the same in exchange for certificates of Common Stock of SCC but, as certificates nominally representing shares of Common Stock of MJA, SCC will cause to be issued therefor certificates for such number of Common Stock of SCC as is described in this Section 10.

11. Book Entries. The merger contemplated hereby shall be treated as a pooling of interests and as of the Effective Date entries shall be made upon the books of NRI in accordance with the following:

(a) The assets and liability of MJA shall be recorded at the amounts at which they are carried on the books of MJA immediately prior to the Effective Date with appropriate adjustment to reflect the retirement of the 1000 shares of Common Stock of MJA presently issued and outstanding.

(b) There shall be credited to Capital Account the aggregate amount of the par value per share of all of the Common Stock of MJA resulting from the conversion of the outstanding Common Shares of MJA.

(c) There shall be credited to Capital Surplus Account an amount equal to that carried on the Capital Surplus Account of MJA immediately prior to the Effective Date.

(d) There shall be credited to Earned Surplus Account an amount equal to that carried on the Earned Surplus Account of MJA immediately prior to the Effective Date.

12. Directors. The names of the first directors of NRI following the Effective Date, who shall be two (2) and who shall hold office from the Effective Date until their successors shall be elected and shall qualify, are as follows:

<u>Name</u>	<u>Address</u>
Richard R. Dwyer, Jr.	790 S. Military Trail Deerfield Beach, Florida 33442
Michael J. Aloof	790 S. Military Trail Deerfield Beach, Florida 33442

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13. **Officers.** The names of the first officers of NRI following the Effective Date and who shall hold office from the Effective Date until their successors shall be appointed and shall qualify or until they shall resign or be removed from office, are as follows:

Name	Office	Address
Michael J. Aloof	President, Vice President, Secretary, Treasurer	780 S. Military Trail Deerfield Beach, Florida 33442

14. **Vacancies.** If, upon the Effective Date, a vacancy shall exist in the Board of Directors or in any of the offices of NRI as the same are specified above, such vacancy shall thereafter be filled in the manner provided by law and the Bylaws of NRI.

15. **Amendment.** These Articles of Merger cannot be altered or amended, except pursuant to an instrument in writing signed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused these Articles of Merger to be executed by the President of each of them pursuant to authority given by their respective Boards of Directors.

Newreach, Inc.,  
a Florida corporation

Salamander Communications Inc., a  
Florida corporation

Approved by the Board of  
Directors and Shareholders  
by unanimous written consent  
on February 28, 1996

Approved by the Board of Directors and its  
sole Shareholder by unanimous written consent  
on February 28, 1996

By: [Signature]  
Richard R. Dwyer, President

By: [Signature]  
Richard R. Dwyer, President

M.J.A. Technologies, Inc., a  
Florida corporation

Approved by the Board of Directors  
and Shareholders by unanimous  
written consent on February 28, 1996

By: [Signature]  
Michael J. Aloof, President

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STATE OF FLORIDA  
COUNTY OF Howard

On this 29th day of February, 1996, before me, the undersigned, personally appeared Michael J. Aloof, known to me to be the President of M.J.A. Technologies, Inc., a Florida corporation, and acknowledged to me that the foregoing, constitutes the Articles of Merger of Salamander Communications Corporation, Newroach, Inc., a Florida corporation, and M.J.A. Technologies, Inc., a Florida corporation, and that they have executed the foregoing instrument in his capacity as officers of said corporation as the free act, deed and agreement of said corporation.

Notary Public:



GAYLE COLEMAN  
My Commission OC287538  
Expires Sep. 27, 1999  
Elected by HAI  
800-423-1888

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print

Gayle Coleman  
Gayle Coleman  
State of Florida at Large (Seal)  
My Commission Expires:

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**AGREEMENT AND PLAN OF MERGER**  
**BETWEEN**  
**SALAMANDER COMMUNICATIONS CORPORATION,**  
**NEWREACH, INC.,**  
**a Wholly-Owned Subsidiary of Salamander Communications Corporation**  
**AND**  
**M.J.A. TECHNOLOGIES, INC. AND**  
**SHAREHOLDERS OF M.J.A. TECHNOLOGIES, INC.**

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## EXHIBITS

Exhibit A	Certificate of Merger
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## SCHEDULES

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Schedule 4.7	Ownership of Assets Generally
Schedule 4.8	No Material Adverse Change
Schedule 4.11	Patents, Copyrights and Trademarks
Schedule 4.12	License Agreements
Schedule 6.11	Funding of MJA Operations

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# AGREEMENT AND PLAN OF MERGER

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TREASURY

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement"), is dated as of \_\_\_\_\_, 1996, by and among SALAMANDER COMMUNICATIONS CORPORATION, a Florida corporation ("SCC"), Newreach, Inc., a newly organized Florida corporation and a wholly owned subsidiary of SCC, (hereinafter referred to as the "Acquisition Sub") (which two corporations are sometimes hereinafter referred to as the "Constituent Corporations"), M.J.A. TECHNOLOGIES, INC., a Florida corporation ("MJA") and the shareholders of MJA as their names appear on the signature page of this Agreement (each a "Shareholder" and collectively, the "Shareholders").

## RECITALS

WHEREAS, SCC, Acquisition Sub, MJA and the Shareholders wish to set forth the terms and conditions upon which a merger of MJA with and into Acquisition Sub will occur, which merger is intended to constitute a tax-free reorganization under Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, and provide for the representations, warranties, agreements, and conditions applicable to the transactions contemplated by this Agreement; and

WHEREAS, the Board of Directors of each of SCC, Acquisition Sub and MJA deems the merger advisable and in the best interests of each of SCC, Acquisition Sub and MJA and of their respective stockholders. The Board of Directors of each of SCC, Acquisition Sub and MJA has adopted resolutions approving this Agreement and the transactions contemplated hereby, and the Board of Directors of Acquisition Sub and MJA has directed that this Agreement be submitted for consideration by the shareholders of Acquisition Sub and MJA.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement, the parties hereto agree as follows:

## SECTION 1. THE MERGER

1.1 **The Merger.** Upon the terms and subject to the conditions of this Agreement, at the Effective Time (as defined in Section 1.2 hereof), MJA shall be merged with and into Acquisition Sub (the "Merger"). The separate existence and corporation organization of MJA shall thereupon cease and MJA and Acquisition Sub shall thereupon be a single corporation. Acquisition Sub shall be the surviving corporation in the Merger (the "Surviving Corporation") and shall continue its existence under the provisions of the Florida Business Corporation Act (the "Florida Act").

1.2 **Effective Date of the Merger.** On the Closing Date (as defined in Section 9 hereof), a certificate of merger substantially in the form of Exhibit A (the "Articles of Merger") shall be executed by MJA and Acquisition Sub and shall be filed with the Secretary of State of the State of Florida. The Merger shall become effective at such time as the Certificate of Merger

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is filed with the Secretary of State of the State of Florida, such time being hereinafter called the "Effective Time."

1.3 **Corporate Existence.** At the Effective Date, Acquisition Sub shall continue its corporate existence as a Florida corporation and (i) it shall thereupon and thereafter possess all rights, privileges, powers, franchises and property (real, personal and mixed) of MJA; (ii) all debts due to MJA, on whatever account, all choses in action and all other things belonging to MJA shall be taken and deemed to be transferred to and shall be vested in Acquisition Sub by virtue of the Merger without further act or deed; and (iii) all rights of creditors and all liens upon any property of MJA shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the Effective Date, and all debts, liabilities and duties of MJA shall thenceforth attach to Acquisition Sub.

1.4 **Corporate Name.** The name of Acquisition Sub shall be changed as soon as practicable to "Newreach, Inc."

1.5 **Tax-Free Reorganization.** It is the intention of the parties hereto that this transaction qualify as a tax-free reorganization under Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended, and related sections thereunder.

1.6 **Articles of Incorporation.** The Articles of Incorporation of Acquisition Sub as in effect immediately prior to the Effective Time shall be and remain the Articles of Incorporation of the Surviving Corporation from and after the Effective Time until amended as provided by law.

1.7 **By-Laws.** The By-Laws of Acquisition Sub as in effect immediately prior to the Effective Time shall be and remain the By-Laws of the Surviving Corporation from and after the Effective Time until amended as provided by law.

1.8 **Directors.** Acquisition Sub and SCC shall, at Closing, cause Michael J. Aloof, Jeffrey D. Burstein, and Jordan L. Aloof to be appointed as Directors of SCC and as Directors of the Surviving Corporation.

1.9 **Officers.** The Officers of Acquisition Sub who shall serve as the Officers of the Surviving Corporation until their successors have been elected or appointed and shall have qualified in accordance with the Florida Act and the Articles of Incorporation and By-Laws of the Surviving Corporation shall be Michael J. Aloof, as President, Secretary and Treasurer. The Directors of the Acquisition Sub shall be Michael J. Aloof and Richard R. Dwyer, Jr. SCC shall, at the Closing Date, cause Michael J. Aloof to be appointed as Chief Operating Officer of SCC, Jeffrey D. Burstein as President, WWW Services, and Jordan L. Aloof as Vice President, WWW Sales.

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## SECTION 2. CONVERSION OF SHARES

2.1 Status of Shares of Surviving Corporation. At the Effective Time, by virtue of the Merger and without any action on the part of any holder of any capital stock of Surviving Corporation, each issued and outstanding share of Common Stock of Surviving Corporation shall continue unchanged and remain outstanding as a share of Common Stock of the Surviving Corporation.

2.2 Effect of Merger on MJA Stock. At the Effective Time, each one (1) share of MJA common stock, par value \$.0001 per share (the "MJA Common Stock"), issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into Seven Hundred Twenty (720) shares of Common Stock, par value \$.001 per share of SCC (the "SCC Common Stock" or "SCC Shares"), which shall be fully paid and non-assessable.

2.2.1 Closing of MJA's Transfer and Financial Books. From and after the Effective Time, the stock transfer books of MJA shall be closed and no transfer of shares of MJA Common Stock shall thereafter be made. If, after the Effective Time, MJA Certificates are presented to Parent, they shall be cancelled and exchanged for the Merger Consideration in accordance with the procedures set forth in this Article. From and after the Effective Time, MJA's financial books shall be closed and SCC shall be responsible for the preparation, cost and filing of MJA's final corporate income tax return (Form 1120S) for the calendar year beginning on January 1, 1996, and ending on the Effective Time. In the event that the former shareholders of MJA receive K-1s in connection with the final Form 1120S that includes amounts of income attributable to a shareholder but not distributed (commonly known as "phantom income"), then SCC, prior to the due date for the shareholders' 1996 income tax returns, shall pay each shareholder a salary bonus that nets each former shareholder the approximate amount of its phantom income tax liability.

2.3 SCC to Make Certificates Available. As soon as practical after the Effective Time, each holder of shares of MJA Common Stock converted into shares of SCC Common Stock pursuant to Section 2.2 herein, upon surrender to SCC of their certificates for such shares of MJA Common Stock for cancellation, will be entitled to receive certificates representing the number of shares of SCC Common Stock to be issued in respect of the aggregate number of such shares of MJA Common Stock previously represented by the stock certificates surrendered or such number as may be directed to SCC by the holders of SCC Common Stock. Notwithstanding any other provision hereof, no fractional shares of SCC Common Stock and no certificates or script therefore, or other evidence of ownership thereof, will be issued, and no right to receive cash in lieu thereof shall entitle the holder thereof to any voting or other rights of a holder of shares or of fractional share interests. Notwithstanding the foregoing, neither SCC nor any party hereto shall be liable to a holder of shares of MJA Common Stock for any SCC Common Stock or dividends thereon delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. As soon as practical after the Effective Time, SCC shall mail to each holder of record of a certificate of MJA Common Stock (the "Certificate") (i) a form letter of

transmittal (which shall specify that delivery shall be effective, and the risk of loss entitled to the Certificate shall pass, only upon delivery of the Certificate to SCC) and (ii) instructions for use in effecting the surrender of the Certificates. The shares of SCC Common Stock issued, upon the surrender of Certificates in accordance with the terms hereof, shall be deemed to have been paid and issued in full satisfaction of all rights pertaining to such shares of MJA Common Stock.

2.4 **Dividends.** No dividends or other distributions that are declared after the Effective Time with respect to SCC Common Stock payable to holders of record thereof after the Effective Time shall be paid to the MJA stockholders entitled to receive certificates representing SCC Common Stock until such shareholders surrender their Certificates. Upon such surrender, there shall be paid to the shareholders in whose name the certificates representing such SCC Common Stock shall be issued any dividends which shall have become payable with respect to such SCC Common Stock between the Effective Time and the time of such surrender, without interest. All dividends or other distributions declared after the Effective Time with respect to SCC Common Stock and payable to the holders of record thereof after the Effective Time that are payable to the holders of Certificates not theretofore surrendered and exchanged for certificates representing shares of SCC Common Stock shall be paid or delivered by SCC to an escrow agent, in trust for the benefit of such holders. All such dividends or the distributions held by the escrow agent for payment or delivery to the holders of unsurrendered Certificates and unclaimed at the end of one (1) year from the Effective Time shall be repaid or redelivered by the escrow agent to SCC, after which time any holder of Certificates who has not theretofore surrendered such Certificates to SCC, subject to any applicable law, shall look as a general creditor only to SCC for payment or delivery of such dividends or distributions, as the case may be. Notwithstanding the foregoing, neither SCC, MJA or Acquisition Sub shall be liable to a holder of MJA Common Stock for any SCC Common Stock, or dividends or distributions thereon, delivered to a public official pursuant to applicable escheat laws.

2.5 **Investment Intent.** The SCC Shares have not been registered under the Securities Act of 1933, as amended (the "Act"), and may not be resold unless they are registered under the Act or an exemption from such registration is available. The certificates representing the SCC Shares will have a legend thereon incorporating language as follows:

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), or any applicable state securities laws. The Shares represented by this certificate have been acquired for investment and may not be sold or transferred in the absence of an effective Registration Statement for these Shares under the Act and any applicable state securities laws unless in the opinion of counsel satisfactory to the Salamander Communications Corporation, registration is not required."

### **SECTION 3. REPRESENTATIONS AND WARRANTIES OF MJA AND THE SHAREHOLDERS**

MJA and the Shareholders hereby jointly and severally represent and warrant to Acquisition Sub and SCC as follows:

3.1 **Organization, Good Standing and Qualification.** MJA is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and is entitled to own or lease its properties and to carry on its business as and in the places where such properties are now owned, leased or operated. MJA is duly licensed or qualified and in good standing as a foreign corporation where the character of the properties owned by it or the nature of the business transacted by it make such licenses or qualifications necessary. MJA does not have any subsidiaries.

3.2 **Capitalization.** As of the date hereof, MJA's entire authorized capital stock consists of 1,000 shares of Common Stock, \$.0001 par value per share, of which 1,000 shares are issued and outstanding. All of the outstanding shares of capital stock of MJA has been duly issued in accordance with all applicable laws, rules and regulations, are fully paid and nonassessable and are owned by the Shareholders. There are, and as of the Closing there will be, no options, warrants, subscriptions, or other rights or commitments of any kind whatsoever outstanding for the sale, issuance, or redemption of any shares or other securities of MJA.

3.3 **Corporate Action.** All corporate action necessary on the part of MJA to authorize the execution and delivery to Acquisition Sub and SCC of this Agreement and the Agreement of Merger and the performance or satisfaction of MJA's obligations hereunder and thereunder has been or will have been duly taken prior to the Closing. This Agreement and the Agreement of Merger constitute the valid and binding obligations of MJA enforceable in accordance with their respective terms. The execution and delivery of, and the consummation of, the transactions provided for in this Agreement and the Agreement of Merger will not violate any provision of the Articles of Incorporation or By-Laws of MJA, any provision of law, or any judgment, order, or decree of any court or agency of government applicable to MJA, or result in a breach of, default under, or acceleration of any obligation under any indenture or agreement to which MJA is a party or by which MJA is bound.

3.4 **Ownership of Shares.** The Shareholders of MJA, as set forth on the signature page of this Agreement, are the owners of record and beneficially of the MJA Shares, free and clear of all rights, claims, liens and encumbrances, and which MJA Shares have not been sold, pledged, assigned or otherwise transferred except pursuant to this Agreement.

3.5 **Articles of Incorporation and By-Laws.** The copy of the Articles of Incorporation and By-Laws of MJA and any amendments to each, which have been delivered to SCC and Acquisition Sub are true, correct and complete.



3.6 **Financial Statements.** MJA has delivered to SCC copies of the following Financial Statements, each of which is in accordance with the books of account and records of MJA, and to the best knowledge of MJA and the Shareholders, is complete and correct in all material respects and presents fairly MJA's financial condition as of the date indicated and the results of operations for the period indicated: the unaudited balance sheet of MJA as of February 13, 1996 and related statements of operations.

3.7 **Absence of Undisclosed Liabilities.** As of the date of its balance sheet for the period ending February 13, 1996, (hereinafter referred to as the "Current Balance Sheet"), to the best knowledge of MJA and the Shareholders, MJA had, and as of the Closing MJA will have, no material liabilities of any nature, whether direct or indirect, absolute or contingent, due or to become due, nor knowledge of any basis for the assertion of any liability against it, other than those liabilities reflected or reserved against in the Current Balance Sheet or disclosed by MJA in Schedule 3.7 or arising in the ordinary course of business after the date of the Current Balance Sheet or as required on Form 1120(s). All tax returns and tax reports required of or in respect of MJA by the laws of the United States or of any state, foreign country or other governmental body which might show any material tax liability have been timely and duly filed; with the exception of: (a) the final form 1120(S) ("S" corporation income tax return) due on March 1, 1997; (b) all final payroll returns; and (c) tangible property tax which obligations shall be the sole responsibility of the Shareholders, but shall be pro-rated as of the date of Closing; all taxes shown to be due thereon, and all other taxes required to be paid by MJA, including without limitation all state income and excise taxes, real property taxes and employment and payroll taxes (but excluding state or foreign sales and use taxes, as to which the Shareholders make no representations herein), have been paid or will have been paid prior to Closing; and the provision made for taxes on MJA's Current Balance Sheet is sufficient for the payment of all accrued and unpaid taxes, whether or not disputed, for the period then ended and for periods prior thereto. MJA is not a party to any action or proceeding for the assessment and collection of taxes.

3.8 **Accounts Receivable.** All of MJA's accounts and other receivables reflected in the Current Balance Sheet or thereafter acquired are collectible in full, less any reserves set up for doubtful receivables on MJA's books.

3.9 **Ownership of Assets Generally.** MJA owns all of its properties and assets, as set forth in Schedule 3.9, which fair market value is noted in Schedule 3.9 (other than those which it leases), including but not limited to those properties and assets shown or reflected on its Current Balance Sheet, except such properties and assets as have been sold or otherwise disposed of in the ordinary course of business since the date of the Current Balance Sheet, and has good and marketable title thereto free and clear of all liens, restrictions, and encumbrances except for such liens, restrictions, and encumbrances as are shown or reflected in the Current Balance Sheet or disclosed in Schedule 3.9 and except for the lien of current state and local property taxes not in default.

3.10 **No Material Adverse Changes.** As of the date hereof, except as set forth in the Financial Statements and Schedule 3.10, there has not been:

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- (a) any material adverse change in the assets, operations, condition (financial or otherwise) or prospective business of MJA;
- (b) any amendments to the Articles of Incorporation or By-laws of MJA nor has MJA merged with or into or consolidated with any other person, subdivided or in any way reclassified any shares of its capital stock or changed or agreed to change in any manner the rights of its outstanding capital stock or the character of its business;
- (c) any incurrence of any indebtedness for borrowed money;
- (d) any damage, destruction or loss materially affecting the assets, prospective business, operations or condition (financial or otherwise) of MJA, whether or not covered by insurance;
- (e) any declaration, setting aside or payment of any dividend or distribution with respect to any redemption or repurchase of MJA's capital stock;
- (f) any sale of an asset (other than in the ordinary course of business) or any mortgage or pledge by MJA of any properties or assets;
- (g) adoption of any pension, profit sharing, retirement, stock bonus, stock option or similar plan or arrangement;
- (h) except in the ordinary course of business, any contract, agreement or transaction consummated;
- (i) any other event or condition of any character materially or adversely affecting the properties and assets or the business of MJA.

3.11 **No Breach.** The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not:

- (a) violate any provision of the Articles of Incorporation or By-Laws of MJA;
- (b) violate, conflict with or result in the breach of any of the terms of, result in a material modification of, otherwise give any other contracting party the right to terminate, or constitute (with notice or lapse of time or both) a default under any contract or other agreement to which MJA is a party or by or to which it or any of its assets or properties may be bound or subject; or
- (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or governmental or regulatory body against or binding upon MJA or upon the properties or business of MJA.

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**3.12 Real Property.** MJA has no interests in real property or buildings or improvements thereon (other than a leasehold interest and improvements relating thereto) owned by MJA whether situated within or without the State of Florida, including any options to acquire real property.

**3.13 Leases.** Schedule 3.13 is a correct and complete list and brief description of all leases or agreements under which MJA is lessee of or holds or operates any property, real or personal, owned by any third party. Each of such leases and agreements is in full force and effect and constitutes a legal, valid, and binding obligation of the respective parties thereto enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to the enforcement of creditors' rights generally and to the availability of equitable remedies which are subject to the discretion of the court before which any proceeding therefor may be brought. True and complete copies of all such leases and agreements have been delivered to SCC.

**3.14 Patents, Copyrights and Trademarks.** Schedule 3.14 is a correct and complete list of all MJA's patents or patent applications, United States or foreign, copyrights, United States or foreign, and trademarks or trade names, State of Florida, United States or foreign. To the knowledge of MJA and the Shareholders, MJA owns and has good title, or has full legal rights under licenses from others to use, all United States or foreign patents, patent rights, inventions, copyrights, trademarks, trade secrets, trade rights or trade names which are used in connection with its business, and MJA in the conduct of its business in no way interferes with or infringes on any United States or foreign patents, patent rights, inventions, copyrights, trademarks, trade secrets, trade rights or trade names, registered or unregistered. No claim of infringement is pending or has ever been made against MJA or any of its licensees affecting any part of MJA's business.

**3.15 License Agreements.** Schedule 3.15 is a complete list and brief description of all material licenses or rights of any kind with respect to patents or patent applications, United States or foreign, copyrights, trademarks, trade names, trade secrets, technical know-how and the like either granted by MJA to others or granted by others to MJA, including any royalties, license fees or other similar type of compensation in connection with its business as it is now or heretofore has been conducted. True and complete copies of all agreements and other writings pertaining to rights described in Schedule 3.15 have been delivered to SCC.

**3.16 Actions or Proceedings.** As of the date hereof, there is no outstanding order, judgment, injunction, award or decree of any court, governmental or regulatory body or arbitration tribunal against or involving MJA. There is no action, suit or claim or legal, administrative or arbitral proceeding or any investigation (whether or not the defense thereof or liabilities in respect thereof are covered by insurance) pending or, to the best knowledge and belief of MJA or the Shareholders, threatened against or involving SCC or properties or assets of MJA. There is no fact, event or circumstances known to MJA that may give rise to any suit, action, claim, investigation or proceeding that would be required to be set forth on the Financial Statements if currently pending or threatened. There is no action, suit or claim or legal,

administrative or arbitral proceeding pending or, to the best knowledge of MJA, threatened that would give rise to any right of indemnification on the part of any director or officer of MJA or the heirs, executors or administrators of such director or officer against MJA.

3.17 **Contracts.** Schedule 3.17 is a correct and complete list and brief description of all material contracts, agreements, warranties and other commitments to which MJA is a party at the date hereof, except contracts or agreements listed and described in the other schedules attached hereto. MJA has in all material respects performed all obligations required to be performed by it to date under all its contracts and agreements and is not in default in any material respect under any of them, and to the best of MJA's and the Shareholders' knowledge, all parties with whom MJA has contractual arrangements are in compliance therewith. True and complete copies of all such contracts, plans and agreements described in Schedule 3.17 have been delivered to SCC.

3.18 **Employee Benefit Plans.** There are no pending or, to the best of MJA's and the Shareholders' knowledge, threatened actions, suits, or claims (other than routine claims for benefits) by or against the Employee Benefit Plans, and, to the best of MJA's and the Shareholders' knowledge, no facts exist which could give rise to any such actions, suits, or claims.

3.19 **Insurance Policies.** Schedule 3.19 is a complete and correct list and summary description of all insurance policies held by MJA and in force and effect at the date hereof. True and complete copies of all insurance policies listed in Schedule 3.19 have been delivered to SCC.

3.20 **Banks.** MJA has delivered to SCC a complete and correct list of each bank in which it has an account or safe deposit box, and the names of all persons authorized to draw thereon or to have access thereto.

3.21 **Brokers or Finders.** No broker's or finder's fee will be payable by MJA in connection with the transactions contemplated by this Agreement, nor will any such fee be incurred as a result of any actions by MJA.

3.22 **Vote Required.** The approval of the Shareholders of MJA is required to approve this Agreement, the Merger and the other transactions contemplated hereby.

3.23 **Compliance with Other Instruments.** Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in any violation of or be in conflict with any term of any contract or other instrument to which MJA is a party or of any judgment, statute, rule or regulation applicable to MJA, or result in the creation of any lien, charge or encumbrance on any of its properties or assets, or result in the acceleration of any obligation of MJA under any deed of trust, mortgage, lease, or similar instrument to which it is a party.

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**3.24 Compliance with Laws.** MJA has complied with all federal, state, county and local laws, ordinances, regulations, inspections, orders, judgments, injunctions, awards or decrees applicable to it or its business which, if not complied with, would materially and adversely affect the business of MJA.

**3.25 Changes in Business Relationship.** Neither MJA nor the Shareholders are aware of any material changes or threatened changes in its business or client relationships, including any discontinuance of contractual relationships.

**3.26 Disclosures.** No representation or warranty of MJA and the Shareholders in this Agreement, and no statement contained in any Exhibit, Schedule, certificate, or other document furnished or to be furnished by MJA and the Shareholders to SCC pursuant hereto or in connection with the transactions contemplated hereby contains or at the Closing will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make it not misleading or necessary to provide SCC with full information as to MJA and its affairs.

#### **SECTION 4. REPRESENTATIONS AND WARRANTIES OF SCC AND ACQUISITION SUB**

SCC and Acquisition Sub hereby jointly and severally represent and warrant to MJA and the Shareholders as follows:

**4.1 Organization, Good Standing and Qualification.** SCC and Acquisition Sub are each a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and each is entitled to own or lease its properties and to carry on its business as and in the places where such properties are now owned, leased or operated. SCC and Acquisition Sub are each duly licensed or qualified and in good standing as a foreign corporation where the character of the properties owned by each of them or the nature of the business transacted by it make such licenses or qualifications necessary. Acquisition Sub is the only subsidiary of SCC. Acquisition Sub has no subsidiaries.

#### **4.2 Capitalization.**

(a) As of the date hereof, SCC's entire authorized capital stock consists of 50,000,000 shares of Common Stock, \$.001 par value per share, of which 1,080,000 shares are issued and outstanding. All of the outstanding shares of capital stock of SCC has been duly issued in accordance with all applicable laws, rules and regulations, are fully paid and nonassessable. There are, and as of the Closing there will be, no options, warrants, subscriptions, or other rights or commitments of any kind whatsoever outstanding for the sale, issuance, or redemption of any shares or other securities of SCC.

(b) As of the date hereof, Acquisition Sub's entire authorized capital stock consists of 1,000 shares of Common Stock, \$.001 par value per share, of which 100 shares are issued and outstanding. All of the outstanding shares of capital stock of Acquisition Sub has

been duly issued in accordance with all applicable laws, rules and regulations, are fully paid and nonassessable. There are, and as of the Closing there will be, no options, warrants, subscriptions, or other rights or commitments of any kind whatsoever outstanding for the sale, issuance, or redemption of any shares or other securities of Acquisition Sub.

**4.3 Corporate Action.** All corporate action necessary on the part of SCC and Acquisition Sub to authorize the execution and delivery to MJA this Agreement and the Agreement of Merger and the performance or satisfaction of SCC's and Acquisition Sub's obligations hereunder and thereunder has been or will have been duly taken prior to the Closing. This Agreement and the Agreement of Merger constitute the valid and binding obligations of SCC and Acquisition Sub in accordance with their respective terms. The execution and delivery of, and the consummation of the transactions provided for in this Agreement and the Agreement of Merger will not violate any provision of the Articles of Incorporation or By-Laws of Acquisition Sub or SCC, any provision of law, or any judgment, order, or decree of any court or agency of government applicable to Acquisition Sub or SCC, or result in a breach of, default under, or acceleration of any obligation under any indenture or agreement to which Acquisition Sub or SCC are a party or by which Acquisition Sub or SCC are bound.

**4.4 Articles of Incorporation and By-Laws.** The copy of the Articles of Incorporation and By-Laws of Acquisition Sub and any amendments thereto, which have been delivered to MJA, are true, correct and complete.

**4.5 Financial Statements.** Acquisition Sub and SCC have delivered to MJA copies of the following Financial Statements, each of which, to the best knowledge of Acquisition Sub and SCC, is in accordance with the books of account and records of SCC and Acquisition Sub, is complete and correct in all material respects and presents fairly SCC's financial condition as of the date indicated and the results of operations for the period indicated: the unaudited consolidated balance sheet of SCC as of February 13, 1996, and related statements of operations.

**4.6 Absence of Undisclosed Liabilities.** As of the date of its balance sheet for the period ending February 13, 1996, (hereinafter referred to as the "Current Balance Sheet"), to the best knowledge of SCC and Acquisition Sub, SCC and Acquisition Sub had, and as of the Closing, neither SCC nor Acquisition Sub will have, any material liabilities of any nature, whether direct or indirect, absolute or contingent, due or to become due, nor knowledge of any basis for the assertion of any liability against either SCC or Acquisition Sub, other than those liabilities reflected or reserved against in the Current Balance Sheet or disclosed by SCC and Acquisition Sub in Schedule 4.6 or arising in the ordinary course of business after the date of the Current Balance Sheet. All tax returns and tax reports required of or in respect of SCC and Acquisition Sub by the laws of the United States or of any state, foreign country or other governmental body which might show any material tax liability have been duly filed; all taxes shown to be due thereon, and all other taxes required to be paid by SCC and Acquisition Sub, including without limitation all state income and excise taxes, real property taxes and employment and payroll taxes (but excluding state or foreign sales and use taxes, as to which neither SCC nor Acquisition Sub make any representations herein), have been paid; and the provision made for

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taxes on SCC's and Acquisition Sub's Current Balance Sheet is sufficient for the payment of all accrued and unpaid taxes, whether or not disputed, for the period then ended and for periods prior thereto. Neither SCC nor Acquisition Sub is a party to any action or proceeding for the assessment and collection of taxes.

**4.7 Ownership of Assets Generally.** SCC owns all of its properties and assets, as set forth in Schedule 4.7, which fair market value is noted in Schedule 4.7 (other than those which it leases), including but not limited to those properties and assets shown or reflected on its Current Balance Sheet, except such properties and assets as have been sold or otherwise disposed of in the ordinary course of business since the date of the Current Balance Sheet, and has good and marketable title thereto free and clear of all liens, restrictions, and encumbrances except for such liens, restrictions, and encumbrances as are shown or reflected in the Current Balance Sheet or disclosed in Schedule 4.7 and except for the lien of current state and local property taxes not in default.

**4.8 No Material Adverse Changes.** As of the date hereof, except as set forth in the Financial Statements and Schedule 4.8, there has not been:

- (a) any material adverse change in the assets, operations, condition (financial or otherwise) or prospective business of SCC;
- (b) any amendments to the Articles of Incorporation or By-Laws of SCC or Acquisition Sub nor have SCC nor Acquisition Sub merged with or into or consolidated with any other person(s), subdivided or in any way reclassified any shares of its capital stock or changed or agreed to change in any manner the rights of its outstanding capital stock or the character of its business;
- (c) any incurrence of any indebtedness for borrowed money;
- (d) any damage, destruction or loss materially affecting the assets, prospective business, operations or condition (financial or otherwise) of SCC or Acquisition Sub, whether or not covered by insurance;
- (e) any declaration, setting aside or payment of any dividend or distribution with respect to any redemption or repurchase of SCC's or Acquisition Sub's capital stock;
- (f) any sale of an asset (other than in the ordinary course of business) or any mortgage or pledge by SCC or Acquisition Sub of any properties or assets;
- (g) adoption of any pension, profit sharing, retirement, stock bonus, stock option or similar plan or arrangement;
- (h) except in the ordinary course of business, any contract, agreement or transaction consummated.

(i) any other event or condition of any character materially or adversely affecting the properties and assets or the business of SCC or Acquisition Sub.

4.9 **No Breach.** The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not:

(a) violate any provision of the Articles of Incorporation or By-Laws of SCC or Acquisition Sub;

(b) violate, conflict with or result in the breach of any of the terms of, result in a material modification of, otherwise give any other contracting party the right to terminate, or constitute (or with notice or lapse of time or both constitute) a default under, any contract or other agreement to which SCC or Acquisition Sub is a party or by or to which it or any of its assets or properties may be bound or subject; or

(c) violate any order, judgment, injunction, award or decree of any court, arbitrator or governmental or regulatory body against, or binding upon SCC or Acquisition Sub, or upon the properties or business of SCC or Acquisition Sub.

4.10 **Actions or Proceedings.** As of the date hereof, there is no outstanding order, judgment, injunction, award or decree of any court, governmental or regulatory body or arbitration tribunal against or involving SCC or Acquisition Sub. There is no action, suit or claim or legal, administrative or arbitral proceeding or any investigation (whether or not the defense thereof or liabilities in respect thereof are covered by insurance) pending or, to the best knowledge and belief of Acquisition Sub or SCC, threatened against or involving SCC or Acquisition Sub or properties or assets of SCC or Acquisition Sub. There is no fact, event or circumstance known to SCC or Acquisition Sub that may give rise to any suit, action, claim, investigation or proceeding that would be required to be set forth on the Financial Statements if currently pending or threatened. There is no action, suit or claim or legal, administrative or arbitral proceeding pending or, to the best knowledge of SCC or Acquisition Sub, threatened that would give rise to any right of indemnification on the part of any director or officer of SCC or Acquisition Sub or any of their respective heirs, executors or administrators of such director or officer against SCC or Acquisition Sub.

4.11 **Patents, Copyrights and Trademarks.** Schedule 4.11 is a correct and complete list of all SCC's Acquisition Sub's patents or patent applications, United States or foreign, copyrights, United States or foreign, and trademarks or trade names, State of Florida, United States or foreign. To the knowledge of SCC and Acquisition Sub, SCC owns and has good title, or has full legal rights under licenses from others to use, all United States or foreign patents, patent rights, inventions, copyrights, trademarks, trade secrets, trade rights or trade names which are used in connection with its business, and SCC in the conduct of its business in no way interferes with or infringes any United States or foreign patents, patent rights, inventions, copyrights, trademarks, trade secrets, trade rights or trade names, registered or unregistered. No



claim of infringement is pending or has ever been made against SCC or any of its licensees affecting any part of SCC's business.

**4.12 License Agreements.** Schedule 4.12 is a complete list and brief description of all material licenses or rights of any kind with respect to patents or patent applications, United States or foreign, copyrights, trademarks, trade names, trade secrets, technical know-how and the like either granted by SCC or Acquisition Sub to others or granted by others to SCC or Acquisition Sub, including any royalties, license fees or other similar type of compensation in connection with its business as it is now or heretofore has been conducted. True and complete copies of all agreements and other writings pertaining to rights described in Schedule 4.12 have been delivered to MJA.

**4.13 Brokers or Finders.** No broker's or finder's fee will be payable by SCC or Acquisition Sub in connection with the transactions contemplated by this Agreement, nor will any such fee be incurred as a result of any actions by SCC or Acquisition Sub.

**4.14 Vote Required.** The approval of the Shareholders of Acquisition Sub is required to approve this Agreement, the Merger and the other transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Merger and other transactions contemplated hereby will not require the approval or consent of the SCC Shareholders.

**4.15 Compliance with Other Instruments.** Neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in any violation of or be in conflict with any term of any contract or other instrument to which SCC or Acquisition Sub is a party or of any judgment, statute, rule or regulation applicable to SCC or Acquisition Sub, or result in the creation of any lien, charge or encumbrance on any of its properties or assets, or result in the acceleration of any obligation of SCC or Acquisition Sub under any deed of trust, mortgage, lease, or similar instrument to which it is a party.

**4.16 Compliance with Laws.** SCC and Acquisition Sub have complied with all federal, state, county and local laws, ordinances, regulations, inspections, orders, judgments, injunctions, awards or decrees applicable to it or its business which, if not complied with, would materially and adversely affect the business of SCC and Acquisition Sub.

**4.17 Disclosures.** No representation or warranty of SCC and Acquisition Sub in this Agreement, and no statement contained in any Exhibit, Schedule, certificate, or other document furnished or to be furnished by SCC and Acquisition Sub to MJA pursuant hereto or in connection with the transactions contemplated hereby contains or at the Closing will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make it not misleading or necessary to provide SCC with full information as to SCC, Acquisition Sub their respective affairs.

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**SECTION 5. COVENANTS OF MJA AND THE SHAREHOLDERS**

MJA and the Shareholders covenant and agree as follows:

5.1 **Confidentiality of SCC's Books, Records and Other Information.** MJA and the Shareholders agree to maintain in confidence all information and materials obtained as a result of any investigations and exchange of information and documents. If this acquisition is not consummated for any reason, all documentation will be returned to the respective parties.

5.2 **Conduct of Business.** From the date hereof through the Closing Date, MJA shall conduct the business in the ordinary course and, without the prior written consent of SCC, shall not undertake any of the actions specified in Section 3.10 hereof. MJA shall not issue, deliver, sell, or authorize or propose the issuance, delivery or sale of any shares of its capital stock of any class or any securities convertible into, or any rights, warrants or options to acquire any such shares or convertible securities.

5.3 **Availability of Books and Records.** MJA will give to SCC or Acquisition Sub or their respective counsel, accountants, agents, and other representatives full access during normal business hours to all of its properties and assets and all of the books and accounts, contracts, commitments, tax returns and other information, documentary or otherwise, concerning the affairs and business of MJA.

5.4 **Preservation of Business.** From the date hereof through the Closing Date, MJA shall preserve the business organization intact, keep available the services of the present employees, consultants and agents, maintain the present suppliers and customers and preserve the goodwill.

5.5 **Litigation.** MJA shall promptly notify SCC and Acquisition Sub of any lawsuits, claims, proceedings or investigations which after the date hereof are threatened or commenced against MJA or against any officer, director, employee, consultant, agent, or other representative with respect to the affairs of MJA.

5.6 **Continued Effectiveness of Representations and Warranties.** From the date hereof through the Closing Date, MJA shall conduct the business in such a manner so that the representations and warranties contained in Section 3 shall continue to be true and correct on and as of the Closing Date and as if made on and as of the Closing Date, and shall:

(a) promptly give notice to SCC and Acquisition Sub if any event, condition or circumstance occurring from the date hereof through the Closing Date which would render any of the representations or warranties materially untrue, incomplete, insufficient or constitute a violation or breach of this Agreement; and

(b) supplement the information contained herein in order that the information contained herein is kept current, complete and accurate in all material respects.

5.7 **Insurance.** MJA at all times will have in effect and maintain insurance now in force on or with respect to its properties and assets and its business and will at all times have in effect and maintain insurance coverage against all hazards, casualties, liabilities, and losses in the amount and of the character and kind normally carried by corporations engaged in a business similar to that conducted by it.

5.8 **Negotiation with Other Parties.** MJA and the Shareholders agree that during the term of this Agreement neither MJA nor the Shareholders will initiate discussions or negotiate with any other person concerning the sale of the assets and the business or the stock of MJA.

5.9 **Dissenting Shareholders.** Dissenters rights shall not be demanded prior to the Closing by any of the Shareholders pursuant to Section 607.1301, 607.1302 or 607.1320 of the Florida Business Corporation Act of the State of Florida.

5.10 **Tax Consequences.** Notwithstanding the intention of the parties hereto that this transaction qualify as a tax-free reorganization under Section 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended, (the "Code") and related sections thereunder, to the extent that MJA or any of its Shareholders are obligated for any tax consequences as a result of "boot" (i.e., recognition of gain), as defined in the Code, the Shareholders and MJA shall be obligated for such tax consequences.

## SECTION 6. COVENANTS OF SCC AND ACQUISITION SUB

Acquisition Sub and SCC covenant and agree as follows:

6.1 **Confidentiality of MJA's Books, Records and Other Information.** Acquisition Sub and SCC agree to maintain in confidence all information and materials obtained as a result of any investigations and exchange of information and documents. If this acquisition is not consummated for any reason, all documentation will be returned to the respective parties.

6.2 **Conduct of Business.** From the date hereof through the Closing Date, SCC and Acquisition Sub shall conduct the business in the ordinary course and, without the prior written consent of MJA, shall not undertake any of the actions specified in Section 4.8 hereof. SCC and Acquisition Sub shall not issue, deliver, or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class or any securities convertible into, or any rights, warrants or options to acquire any such shares or convertible securities.

6.3 **Availability of Books and Records.** SCC will give to MJA or its Shareholders or their respective counsel, accountants, agents, and other representatives full access during normal business hours to all of its properties and assets and all of the books and accounts, contracts, commitments, tax returns and other information, documentary or otherwise, concerning the affairs and business of SCC and Acquisition Sub.

6.4 **Preservation of Business.** From the date hereof through the Closing Date, SCC and Acquisition Sub shall preserve the business organization intact, keep available the services of the present employees, consultants and agents, maintain the present suppliers and customers and preserve the goodwill.

6.5 **Litigation.** SCC and Acquisition Sub shall promptly notify MJA of any lawsuits, claims, proceedings or investigations which after the date hereof are threatened or commenced against SCC and Acquisition Sub or against any of their respective officers, directors, employees, consultants, agents, or other representatives with respect to the affairs of SCC and Acquisition Sub.

6.6 **Employment of MJA Employees.** Subject to Section 10.3, SCC and/or Acquisition Sub shall employ all of the employees of MJA who are employed by MJA immediately prior to the Closing.

6.7 **Continued Effectiveness of Representations and Warranties.** From the date hereof through the Closing Date, SCC and Acquisition Sub shall conduct the business in such a manner so that the representations and warranties contained in Section 4 shall continue to be true and correct on and as of the Closing Date and as if made on and as of the Closing Date, and shall:

(a) promptly give notice to MJA if any event, condition or circumstance occurring from the date hereof through the Closing Date which would render any of the representations or warranties materially untrue, incomplete, insufficient or constitute a violation or breach of this Agreement; and

(b) supplement the information contained herein in order that the information contained herein is kept current, complete and accurate in all material respects.

6.8 **Negotiation with Other Parties.** SCC and Acquisition Sub agree that during the term of this Agreement neither SCC nor Acquisition Sub will initiate discussions or negotiate with any other person concerning the sale of the assets and the business or the stock of SCC or Acquisition Sub.

6.9 **Dissenting Shareholders.** Dissenters rights shall not be demanded prior to the Closing by any of the shareholders Acquisition Sub pursuant to Sections 607.1301, 607.1302, or 607.1320 of the Florida Business Corporation Act of the State of Florida.

6.10 **Tax Consequences.** Notwithstanding the intention of the parties hereto that this transaction qualify as a tax-free reorganization under Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended, (the "Code") and related sections thereunder, to the extent that SCC or Acquisition Sub or any of their shareholders are obligated for any tax consequences as a result of "boot" (i.e., recognition of gain), as defined in the Code, the Shareholders and MJA shall be obligated for such tax consequences.

**6.11 Funding of MJA Operations.** SCC agrees that it is committed to provide additional working capital of \$1,250,000 to be utilized for further expansion of the Web presence service currently provided by MJA, including, without limitation, software development, World Wide Web presence, Internet advertising, which upon Closing, shall be provided through Acquisition Sub, by December 1, 1996. As of the date of Closing, the amount of working capital provided thus far is set forth on Schedule 6.11.

**SECTION 7. CONDITIONS OF OBLIGATIONS OF ACQUISITION SUB AND SCC TO CLOSE**

The obligations of Acquisition Sub and SCC to consummate this Agreement and the transactions contemplated hereby are subject to the satisfaction at or before the Closing of each and every one of the following conditions, any of which MJA or the Shareholders may in either of their sole discretions waive:

**7.1 Due Diligence Review.** SCC shall have successfully completed a financial, technical and legal examination of MJA, conducted by such accountants, employees and attorneys as SCC may desire, confirming to its reasonable satisfaction that the assets, liabilities, obligations, revenues, projections, vendor and distributor relations, customer base, business operations and tax liabilities and attributes are substantially as represented by MJA and that the financial information submitted has been prepared in accordance with generally accepted accounting principles.

**7.2 Representations and Warranties.** The representations and warranties of MJA as set forth in Section 3 hereof shall be true and correct at and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, and any statement, list, certificate or other written information furnished by MJA pursuant hereto or in connection with the transactions contemplated hereby shall be true and correct in all material respects at and as of the date or dates stated therein.

**7.3 Performance of MJA.** MJA shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it either prior to or at the Closing.

**7.4 Absence of Adverse Changes.** Since the date of this Agreement, there shall have been no change in the financial condition, business, or properties of MJA which materially and adversely affects the conduct of its business or its condition, financial or otherwise.

**7.5 Assignment Lease Obligations.** As soon as practicable, MJA shall have obtained consents from each of its lessors, whether for real property or for personal property, for the assignment of each lease and assumption of liabilities whereby MJA is a lessee with SCC as assignee and each of the parties shall execute such documents to effectuate such assignment and assumption.

7.6 Dissenters' Rights. None of the Shareholders shall have exercised his or her dissenters' rights pursuant to Sections 607.1301, 607.1302 or 607.1320 of the Florida Business Corporation Law.

#### **SECTION 8. CONDITIONS OF OBLIGATIONS OF MJA AND THE SHAREHOLDERS TO CLOSE**

The obligations of MJA and the Shareholders to consummate this Agreement and the transactions contemplated hereby are subject to the satisfaction at or before the Closing of each and every one of the following conditions, any of which SCC or Acquisition Sub may in either of their sole discretions waive:

8.1 Due Diligence Review. MJA shall have successfully completed a financial, technical and legal examination of SCC and Acquisition Sub, conducted by such accountants, employees and attorneys as MJA may desire, confirming to its reasonable satisfaction that the assets, liabilities, obligations, revenues, projections, vendor and distributor relations, customer base, business operations and tax liabilities and attributes are substantially as represented by SCC and Acquisition Sub and that the financial information submitted has been prepared in accordance with generally-accepted accounting principles.

8.2 Representations and Warranties. The representations and warranties of SCC and Acquisition Sub as set forth in Section 4 hereof shall be true and correct at and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing, and any statement, list, certificate or other written information furnished by MJA pursuant hereto or in connection with the transactions contemplated hereby shall be true and correct in all material respects at and as of the date or dates stated therein.

8.3 Performance of SCC and Acquisition Sub. SCC and Acquisition Sub shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by each of them either prior to or at the Closing.

8.4 Absence of Adverse Changes. Since the date of this Agreement, there shall have been no change in the financial condition, business, or properties of SCC or Acquisition Sub which materially and adversely affects the conduct of its business or its condition, financial or otherwise.

8.5 Assignment Lease Obligations. As soon as practicable, MJA shall have obtained consents from each of its lessors, whether for real property or for personal property, for the assignment of each lease and assumption of liabilities whereby MJA is a lessee with SCC as assignee and each of the parties shall execute such documents to effectuate such assignment and assumption.

8.6 Dissenters' Rights. None of the Shareholders of Acquisition Sub shall have exercised its dissenters' rights pursuant to Sections 607.1301, 607.1302, or 607.1320 of the

Florida Business Corporation Law. The execution and delivery of this Agreement and the consummation of the Merger and other transactions contemplated hereby will not require the approval or consent of the SCC Shareholders.

## **SECTION 9. THE CLOSING**

9.1 **Closing.** The closing (the "Closing") of the Merger shall take place at the offices of M.J.A. Technologies, 790 S. Military Trail, Deerfield Beach, Florida at 3:00 p.m., local time, on February 29, 1996, or at such other time and date and place as the parties to this Agreement shall mutually agree (the "Closing Date"). The Closing shall be deemed to be effective as of the opening of business on February 29, 1996, which shall be deemed to be the Closing Date for purposes of this Agreement.

9.2 **MJA's Performance.** At the Closing, MJA shall deliver to Acquisition Sub and SCC the following:

- (a) certificates representing all of the issued and outstanding shares of capital stock of MJA, duly endorsed for transfer or accompanied by instruments of transfer satisfactory in form and substance to counsel for Acquisition Sub and SCC, with signatures guaranteed;
- (b) copies of resolutions by MJA's Board of Directors and Shareholders authorizing the transaction;
- (c) certificates of good standing dated at or about the date of Closing that MJA are in good standing within the state of incorporation and where qualified to do business.
- (d) such other evidence of the performance of all covenants and satisfaction of all conditions required of MJA by this Agreement at or before the Closing as Acquisition Sub and SCC or their counsel may reasonably require; and
- (e) such corporate books and records of MJA as Acquisition Sub and SCC may require.

9.3 **Acquisition Sub and SCC's Performance.** At the Closing, Acquisition Sub and SCC shall deliver to MJA and the Shareholders the following:

- (a) copies of resolutions by Acquisition Sub's Board of Directors and Shareholders authorizing the transaction;
- (b) certificates of good standing dated at or about the date of Closing that SCC and Acquisition Sub are in good standing within the state of incorporation and where qualified to do business.

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(c) such other evidence of the performance of all covenants and satisfaction of all conditions required of MJA by this Agreement at or before the Closing as MJA or its counsel may reasonably require.

#### SECTION 10. CONDITIONS SUBSEQUENT TO CLOSING

10.1 Preservation of MJA Technologies Tradename. SCC and the Acquisition Sub shall use their best efforts to preserve the business operations of MJA (as of the date of Closing) and the tradename MJA and MJA TECHNOLOGIES tradename and the goodwill associated therewith. On December 1, 1996, SCC shall assign all rights, title and interest of SCC and each of its subsidiaries, in and to the tradenames MJA and MJA TECHNOLOGIES to Michael J. Aloof and the goodwill associated therewith.

10.2 Employment Agreements. As soon as is practicable, SCC shall enter into employment, non-disclosure and non-competition agreements with Michael J. Aloof, Jeffrey Burstein and Jordan Aloof, in substantially the form set forth on Exhibit B-1, B-2, and B-3 respectively. Contemporaneously, SCC shall also enter into employment, non-disclosure and non-competition agreements with each and every officer and director of SCC not described in first sentence of this Section 10.2 including, without limitation, (i) Richard R. Dwyer, Jr., (ii) David B. Frankland, (iii) Monica G. Aragon, and (iv) Michael P. Ferrell., which forms of agreements shall be as agreed upon by Richard R. Dwyer and Michael J. Aloof.

10.3 Delivery of Executed Employment and Non-Competition Agreements. As a condition to each of the employees of MJA who were employed by MJA immediately prior to the Closing being employed by SCC and/or Acquisition Sub, each such employee shall enter into SCC's standard form of employment and/or invention, non-disclosure and non-competition agreement.

#### SECTION 11. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations, warranties, agreements, covenants, and obligations herein made by or in any certificates or financial statements delivered by any of the parties hereunder are material; shall be deemed to have been relied upon by each of the other parties; shall survive the Closing for a period of two (2) years thereafter; and shall not merge in the performance of any obligation by any party hereto. The previous sentence notwithstanding, in the case of tax liability or representations, the representations, agreements, covenants and obligations herein shall survive the Closing for a period of four (4) years.

#### SECTION 12. TERMINATION

This Agreement may be terminated at any time prior to the Closing Date as follows:

(a) at the election of MJA, if any one or more of the conditions to the obligation of MJA to close have not been fulfilled as of the Closing Date;



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(b) at the election of SCC or Acquisition Sub, if any one or more of the material conditions to the obligation of SCC or Acquisition Sub to close have not been fulfilled as of the Closing Date;

(c) at the election of MJA, if SCC or Acquisition Sub have breached any material representations, warranty, covenant or agreement contained in this Agreement;

(d) at the election of SCC or Acquisition Sub, if MJA has breached any material representation, warranty, covenant or agreement contained in this Agreement;

(e) at the election of MJA, if any legal proceeding is commenced or threatened by any governmental or regulatory agency or other person directed against the consummation of the Closing or any other transaction contemplated under this Agreement and MJA deems it impractical or inadvisable to proceed in view of such legal proceeding or threat thereof;

(f) at the election of SCC or Acquisition Sub, if any legal proceeding is commenced or threatened by any governmental or regulatory agency or other person directed against the consummation of the Closing or any other transaction contemplated under this Agreement and SCC or Acquisition Sub deems it impractical or inadvisable to proceed in view of such legal proceeding or threat thereof; or

(g) at any time on or prior to the Closing Date, by mutual written consent of the Board of Directors of SCC and MJA; or

If this Agreement is terminated and the transactions contemplated hereby are not consummated as described herein, this Agreement shall become null and void and of no further force and effect. None of the parties shall have any liability in respect of a termination of this Agreement except to the extent that failure to satisfy the conditions of Section 8 and 9 results from the intentional or willful violation of the representations, warranties, covenants or agreements of such party under this Agreement.

If this Agreement shall be terminated as herein provided, the Agreement of Merger shall be deemed to have been abandoned and shall be void and of no further effect, without any liability on the part of any of the parties thereto or the shareholders, directors, officers, employees or agents of any of them.

### SECTION 13. INDEMNIFICATION

**13.1 Obligation of MJA and Shareholders to Indemnify.** Subject to the limitations on the survival of representations and warranties contained in Section 2, MJA and the Shareholders hereby jointly and severally agree to indemnify and hold SCC and Acquisition Sub harmless from and against any and all claims, judgments, suits, actions, causes of action, losses, contracts, controversies, agreements, liabilities, promissory notes, obligations, guarantees, or indemnities whatsoever, including reasonable attorneys' fees and expenses ("Losses"), incurred

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or sustained by SCC or Acquisition Sub as a result of or attributable to (i) any misrepresentation by or breach of any representation, warranty, covenant or agreement of MJA or the Shareholders contained in this Agreement or any certificate, exhibit, schedule, financial statement, or other document furnished or to be furnished to SCC and Acquisition Sub hereunder, and (ii) any state or foreign sales or use tax (including interest or penalties) owed by MJA with respect to any period prior to the Closing. To the extent that any Shareholders are obligated for any tax consequences as a result of the existence of "boot" (i.e., recognition of gain) as defined in the Code, the Shareholders shall indemnify and hold harmless SCC and/or Acquisition Sub for such tax obligations.

**13.2 Obligation of SCC and Acquisition Sub to Indemnify.** Subject to the limitations on the survival of representations and warranties contained in Section 3, SCC and Acquisition Sub hereby agrees to indemnify and hold the Shareholders harmless from and against any and all claims, judgments, suits, actions, causes of action, losses, contracts, controversies, agreements, liabilities, promissory notes, obligations, guarantees, or indemnities whatsoever, including reasonable attorneys' fees and expenses ("Losses"), incurred or sustained by the Shareholders as a result of or attributable to any misrepresentation by or breach of any representation, warranty, covenant or agreement of SCC contained in this Agreement or any certificate, exhibit, schedule, financial statement, or other document furnished or to be furnished to the Shareholders hereunder.

**13.3 Claims by Third Parties.** Promptly after receipt by either party hereto (the "Indemnitee") of notice of any demand, claim or circumstances which, with the lapse of time, would give rise to a claim or the commencement (or threatened commencement) of any action, proceeding or investigation (an "Asserted Liability") that may result in a Loss, the Indemnitee shall give notice thereof (the "Claims Notice") to the other party or parties (the "Indemnitor"). The Claims Notice shall describe the Asserted Liability in reasonable detail, and shall indicate the amount (estimated, if necessary) of the Loss that has been or may be suffered by the Indemnitee.

**13.4 Opportunity to Defend.** Indemnitor may elect to compromise or defend, at its own expense and by its own counsel, any Asserted Liability. If the Indemnitor elects to compromise or defend such Asserted Liability, it shall within fifteen (15) days (or sooner, if the nature of the Asserted Liability so requires) notify the Indemnitee of its intent to do so, and the Indemnitee shall cooperate, at the expense of the Indemnitor in the compromise of, or defense against, such Asserted Liability. The Indemnitee may participate, at its own expense, in the defense of such Asserted Liability. If Indemnitor elects not to compromise or defend the Asserted Liability, fails to notify the Indemnitee of its election as herein provided, contests its obligations to indemnify under this Agreement, or at any time fails to pursue in good faith the resolution of any Asserted Liability, in the opinion of Indemnitee, then Indemnitee may, upon ten days' notice to Indemnitor pay, compromise or defend any such Asserted Liability. If the Indemnitor chooses to defend any claim, the Indemnitee shall make available to the Indemnitor any books, records or other documents within its control that are necessary or appropriate for such defense.

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**SECTION 14. MISCELLANEOUS**

14.1 Notices. All notices or requests, demands and other communications hereunder shall be deemed to have been duly given if in writing and delivered or mailed postage prepaid to the parties as follows:

If to MJA or the Shareholders:

790 S. Military Trail  
Deerfield Beach, Florida 33442  
Attn. Shareholder

Copy to:

Stuart A. Rader, P.A.  
1499 W. Palmetto Park Road  
Boca Raton, Florida 33486

If to Acquisition Sub or SCC:

Richard R. Dwyer, Jr.  
Salamander Communications Corporation  
790 S. Military Trail  
Deerfield Beach, Florida 33442

Copy to:

James M. Schneider, Esq.  
Gayle Coleman, Esq.  
Atlas, Pearlman, Trop & Borkson, P.A.  
200 E. Las Olas Boulevard, Suite 1900  
Fort Lauderdale, Florida 33301

The address of any party for any such notice, request or other communication may be changed by giving notice of such change to the other parties as hereinabove provided.

14.2 Fees and Expenses. Each of the parties will bear its own expenses in connection with the negotiation and the consummation of this Agreement; provided that MJA's reasonable attorney's fees and costs shall be paid by SCC and/or Acquisition Sub.

14.3 Amendment. This Agreement may be amended with respect to any of the terms contained herein by mutual agreement of the Shareholders and the Board of Directors of MJA, Acquisition Sub and SCC, respectively, at any time prior to the Closing.

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14.4 Law Governing. This Agreement shall be deemed to have been entered into under the laws of the State of Florida, and the rights and obligations of the parties hereunder shall be governed and determined according to the laws of said state without giving effect to any conflicts of laws. Exclusive jurisdiction and venue shall be Palm Beach County, Florida.

14.5 Entire Agreement and Counterparts. This Agreement and the exhibits and schedules hereto and any other instruments and agreements to be delivered in conjunction herewith constitute the entire agreement between the parties with respect to the transactions contemplated herein and supersede all prior agreements and understandings of the parties with respect thereto. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument.

14.6 Construction. This Agreement shall be construed within the fair meaning of each of its terms and not against the party drafting the document.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto under their respective seals, as of the day and year first above written.

WITNESS

M.J.A. TECHNOLOGIES, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Michael J. Aloof, President

SHAREHOLDERS

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Michael J. Aloof

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Jeffrey Burstein

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Jordan Aloof

ACQUISITION SUB, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Richard R. Dwyer, Jr., Incorporator

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**SALAMANDER COMMUNICATIONS  
CORPORATION, a Florida corporation**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Richard R. Dwyer, Jr., President