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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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June 29, 2004

Amendment Section
Division of Corporations
409 East Gaines Street
Tallahassee, FL 32399

Re: Residential Resales, Inc. Articles of Merger

Dear Madam/Sir:

On behalf of Residential Resales, Inc., a Florida corporation, I herewith enclose for filing:

1. Two (2) copies of the Articles of Merger to one of which I attach as an exhibit a copy of an Agreement and Plan of Merger evidencing the merger of Residential Resales, Inc. (the "Merging Entity") with and into New Media Lottery Services, Inc., a Virginia corporation (the "Surviving Entity").
2. A check in the sum of \$78.75, made payable to the Department of State, covering the cost of the filing fee for the Merging Entity and the Surviving Entity (\$70) and \$8.75 for the cost of a certified copy of the Articles of Merger as filed.

Please return all correspondence concerning this matter to:

Clint M. Sellers, Esq.
Miller & Earle, PLLC
560 Neff Avenue
Harrisonburg, VA 22801

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June 29, 2004

Please contact me at (540) 564-1555 for information concerning the merger of Residential Resales, Inc. with and into New Media Lottery Services, Inc.

Very truly yours,

A handwritten signature in black ink, appearing to read "Clint M. Sellers", is written over a horizontal line.

Clint M. Sellers

Enclosures

ARTICLES OF MERGER OF
RESIDENTIAL REALES, INC.
a Florida corporation
and
NEW MEDIA LOTTERY SERVICES, INC.
a Virginia corporation

FILED

04 JUL -6 PM 4:00

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The following Articles of Merger are submitted in accordance with the Florida Business Corporation Act, pursuant to section 607.1105, F.S.

First: The name and jurisdiction of the surviving corporation is:

NEW MEDIA LOTTERY SERVICES, INC., a Virginia corporation.

Second: The name and jurisdiction of the merging corporation is:

RESIDENTIAL REALES, INC., a Florida corporation.

Third: The Agreement and Plan of Merger is attached.

Fourth: The merger shall become effective upon the close of business on the date when duly executed copies of appropriate Articles of Merger are filed with each of the Secretary of States of the State of Florida and the Commonwealth of Virginia.

Fifth: The Agreement and Plan of Merger was adopted by the Board of Directors of the surviving corporation on June 14, 2004 and shareholder approval was not required.

Sixth: The Agreement and Plan of Merger was adopted by the shareholders of the merging corporation on June 14, 2004.

Seventh: The address of the principal offices of the surviving corporation is:

New Media Lottery Services, Inc.
1400 Technology Drive
Harrisonburg, VA 22802

Eighth: New Media Lottery Services, Inc., the surviving corporation, is deemed to have appointed and does hereby appoint the Florida Secretary of State as its agent for service of process in any proceeding to enforce any obligation or the rights of dissenting shareholders of Residential Reales, Inc.

Ninth: New Media Lottery Services, Inc., the surviving corporation, has agreed to promptly pay to the dissenting shareholders of Residential Reales, Inc. the amount, if any, to which they are entitled under section 607.1302 of the Florida Business Corporation Act.

RESIDENTIAL REALES, INC.
A Florida corporation

By: Michael Shroyer
Michael Shroyer, Vice President

NEW MEDIA LOTTERY SERVICES, INC.
A Virginia corporation

By: Nathan H. Miller
Nathan H. Miller, President

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Merger Agreement") is made this June 14, 2004 by and between Residential Resales, Inc., a Florida corporation ("RRI"), and New Media Lottery Services, Inc., a Virginia corporation ("NMLS"). RRI and NMLS are hereinafter sometimes collectively referred to as the "Constituent Corporations."

R E C I T A L S

A. RRI was incorporated under the laws of the State of Florida on July 1, 1998 as Media Acquisitions Group, Inc. and amended its Articles of Incorporation on September 17, 2001 to change its corporate name to Residential Resales, Inc. RRI's current authorized capital stock consists of Fifty Million (50,000,000) shares of common stock at a par value of \$0.001 per share ("RRI Common Stock"), of which 11,000,000 shares are issued and outstanding.

B. NMLS was incorporated under the laws of the Commonwealth of Virginia on July 12, 2003. Its authorized capital stock consists of 50,000,000 shares of Common Stock, with a par value of \$0.001 per share ("NMLS Common Stock"), of which 1,000 shares are issued and outstanding, all of which are owned by RRI.

C. The respective Boards of Directors of RRI and NMLS deem it advisable and to the advantage of each of the Constituent Corporations that RRI merge with and into NMLS (the "Merger") upon the terms and subject to the conditions set forth in this Merger Agreement for the purpose of effecting a change of the state of incorporation of RRI from Florida to Virginia.

D. The Boards of Directors of each of the Constituent Corporations have approved this Merger Agreement.

NOW, THEREFORE, the parties do hereby adopt the plan of reorganization set forth in this Merger Agreement and do hereby agree that RRI shall merge with and into NMLS on the following terms, conditions and other provisions:

1) **MERGER AND EFFECTIVE TIME.** At the Effective Time (as defined below), RRI, the parent, shall be merged with and into NMLS, the subsidiary, (the "Merger"), and NMLS shall be the surviving corporation of the Merger (the "Surviving Corporation").

The Merger shall become effective upon the close of business on the date when a duly executed copy of Articles of Merger, this Merger Agreement, and all other required certificates, is filed with each of the Secretary of States of the State of Florida and the Commonwealth of Virginia (the "Effective Time").

2) **EFFECT OF MERGER.** At the Effective Time, the separate corporate existence of RRI shall cease; the corporate identity, existence, powers, rights and immunities of NMLS as the Surviving Corporation shall continue unimpaired by the Merger; and NMLS shall succeed to and shall possess all the assets, properties, rights, privileges, powers, franchises, immunities and purposes,

and be subject to all the debts, liabilities, obligations, restrictions and duties of RRI, all without further act or deed. The Articles of Incorporation of the Surviving Corporation shall be the Articles of Incorporation.

3) **GOVERNING DOCUMENTS.** At the Effective Time, the Articles of Incorporation of NMLS in effect immediately prior to the Effective Time shall become the Articles of Incorporation of the Surviving Corporation and the By-laws of NMLS in effect immediately prior to the Effective Time shall become the By-laws of the Surviving Corporation.

4) **DIRECTORS, OFFICERS AND COMMITTEES OF THE BOARD.** At the Effective Time, the directors, officers and committee members of NMLS shall be and become the directors, officers and committee members (holding the same titles and positions) of the Surviving Corporation and after the Effective Time shall serve in accordance with the Articles of Incorporation and By-laws of the Surviving Corporation.

5) **CONVERSION OF SHARES OF RRI.** Subject to the terms and conditions of this Agreement, at the Effective Time, each share of RRI Common Stock outstanding immediately prior thereto shall be automatically changed and converted into one fully paid and nonassessable, issued and outstanding share of NMLS Common Stock.

6) **CANCELLATION OF SHARES OF NMLS.** At the Effective Time, all of the previously issued and outstanding shares of NMLS Common Stock that were issued and outstanding immediately prior to the Effective Time shall be automatically retired and canceled.

7) **STOCK CERTIFICATES.** At and after the Effective Time, all of the outstanding certificates that, prior to that date, represented shares of RRI Common Stock shall be deemed for all purposes to evidence ownership of and to represent the number of shares of NMLS Common Stock into which such shares of RRI Common Stock are converted as provided herein.

The registered owner on the books and records of RRI of any outstanding stock certificates evidencing shares of RRI Common Stock shall, until such certificates shall have been surrendered for transfer or otherwise accounted for to NMLS or its transfer agent, be entitled to exercise any voting and other rights with respect to, and to receive any dividend and other distributions upon, the shares of NMLS Common Stock evidenced by such outstanding certificates as above provided.

8) **EXCHANGE OF CERTIFICATES.** As soon as practicable after the Effective Time, NMLS shall deliver to each holder of RRI Common Stock appropriate transmittal forms by which holders of certificates representing RRI Common Stock may exchange such certificates for certificates representing a like number of shares of NMLS Common Stock.

9) **FURTHER ASSURANCES.** From time to time, as and when required by the Surviving Corporation or by its successors or assigns, there shall be executed and delivered on behalf of RRI such deeds, assignments and other instruments, and there shall be taken or caused to be taken by it all such further action as shall be appropriate, advisable or necessary in order to vest,

perfect or confirm, of record or otherwise, in the Surviving Corporation the title to and possession of all property, interests, assets, rights, privileges, immunities, powers, franchises and authority of RRI, and otherwise to carry out the purposes of this Merger Agreement.

The officers and directors of the Surviving Corporation are fully authorized in the name of and on behalf of RRI, or otherwise, to take any and all such actions and to execute and deliver any and all such deeds and other instruments as may be necessary or appropriate to accomplish the foregoing.

9) **CONDITION.** The consummation of the Merger is subject to the approval of this Merger Agreement and the Merger contemplated hereby by the holders of a majority of the outstanding shares of RRI Common Stock prior to or at the Effective Time.

10) **ABANDONMENT.** At any time before the Effective Time, this Merger Agreement may be terminated and the Merger abandoned by the Board of Directors of RRI or NMLS, notwithstanding approval of this Merger Agreement by the Board of Directors and shareholders of RRI and the Board of Directors of NMLS.

11) **AMENDMENT.** At any time before the Effective Time, this Merger Agreement may be amended, modified or supplemented by the Boards of Directors of the Constituent Corporations, notwithstanding approval of this Merger Agreement by the shareholders of RRI; provided, however, that any amendment made subsequent to the adoption of this Agreement by the shareholders of RRI or the sole holder of shares of NMLS Common Stock shall not: (i) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or upon conversion of any shares of any class or series of RRI; (ii) alter or change any of the terms of the Articles of Incorporation of the Surviving Corporation to be effected by the Merger; or (iii) alter or change any of the terms or conditions of this Merger Agreement if such alteration or change would adversely affect the holders of any shares of any class or series of RRI.

12) **APPOINTMENT OF SECRETARY OF STATE OF FLORIDA AS AGENT FOR SERVICE OF PROCESS.**

Upon the Effective Date, NMLS:

(a) Appoints the Secretary of State of the State of Florida as its agent for service of process in a proceeding to enforce any obligation or the rights of shareholders of RRI; and

(b) Agrees that it will promptly pay to the shareholders of RRI who dissent to the Merger and pursue appraisal rights the amount, if any, to which they are entitled under the Florida Business Corporation Act

13) **TAX-FREE REORGANIZATION.** The Merger is intended to be a tax-free plan of reorganization within the meaning of Section 368(a)(1)(F) of the Code.

14) GOVERNING LAW. This Agreement shall be governed by and construed under the internal laws of the Commonwealth of Virginia as applied to agreements among Virginia residents entered into and to be performed entirely within the Commonwealth of Virginia, without reference to the principles of conflicts of law or choice of laws, except to the extent that the laws of the State of Florida would apply in matters relating to the internal affairs of RRI and the Merger.

15) COUNTERPARTS. In order to facilitate the filing and recording of this Merger Agreement, it may be executed in any number of counterparts, each of which shall be deemed to be an original.

IN WITNESS WHEREOF, this Merger Agreement is hereby executed on behalf of each of the Constituent Corporations and attested by their respective officers hereunto duly authorized as of the date first written above.

RESIDENTIAL RESALES, INC.
a Florida corporation

By: Michael J. Shroyer
Michael J. Shroyer
Executive Vice President

NEW MEDIA LOTTERY SERVICES, INC.
a Virginia corporation

By: Nathan H. Miller
Nathan H. Miller
Chief Executive Officer