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MERGER OR SHARE EXCHANGE

REGIO USA, INC.

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06/29/05

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ARTICLES OF MERGER

Pursuant to the provisions of Section 607.1105 of the Florida Business Corporation Act (the "*Act*"), the undersigned corporations hereby adopt the following Articles of Merger:

ARTICLE I

The name and state of incorporation of each of the constituent corporations are:

EFFECTIVE DATE 6/30/06

Name of Corporation or Other Entity	Type of Entity	State
Talavera Tile & Stone Corp.	Corporation	Florida
Regio USA, Inc.	Corporation	Texas

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ARTICLE II

A copy of the Agreement and Plan of Merger (the "*Plan*"), as approved by each constituent corporation in accordance with its organizational documents and the Act, is set forth in **Exhibit A** attached hereto, which is incorporated herein by this reference.

ARTICLE III

The name of the surviving corporation is Regio USA, Inc.

ARTICLE IV

The Articles of Incorporation of Regio USA, Inc. shall be the Articles of Incorporation of the surviving corporation.

ARTICLE V

The authorized capital stock of Regio USA, Inc. consists of 500,000 shares of common stock, no par value per share, of which 10,000 shares are issued, outstanding and entitled to vote on the Plan. Pursuant to a unanimous written consent dated June 15, 2005, the shareholders of all such shares approved the merger pursuant to the Plan.

ARTICLE VI

The authorized capital stock of Talavera Tile & Stone, Inc. consists of 10,000 shares of common stock, par value $1.00 per share, of which 100 shares are issued, outstanding and entitled to vote on the Plan. Pursuant to a written consent dated June 15, 2005, the shareholders of all of such shares approved the merger pursuant to the Plan.

ARTICLE VII

The effective date of the merger shall be June 30, 2005.

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IN WITNESS WHEREOF, the undersigned corporations have caused these Articles of Merger to be executed as of June 22nd 2005, by their respective authorized officers, each of whom hereby acknowledges by his execution hereof, that the statements contained in these Articles of Merger are true and correct to the best of his knowledge and belief.

SURVIVING CORPORATION:

REGIO USA, INC.

By: _____
Ruben De Leon, President

MERGED CORPORATION:

TALAVERA TILE & STONE CORP.

By: _____
Mauricio Portillo, President

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EXHIBIT A

AGREEMENT AND PLAN OF MERGER

AMONG

REGIO USA, INC.

AND

TALAVERA TILE & STONE CORP.

EFFECTIVE JUNE 30, 2005

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (the "***Agreement***"), is by and among Regio USA, Inc, a Texas corporation ("***Regio***" or the "***Surviving Corporation***"), Talavera Tile & Stone Corp., a Florida corporation ("***TTS***"), Ruben De Leon ("***De Leon***"), Frank De los Santos ("***De los Santos***"), and Mauricio Portillo ("***Portillo***") (each individually, a "***Shareholder***", and collectively, the "***Shareholders***").

WHEREAS, the respective Boards of Directors and shareholders of Regio and TTS have approved the merger of TTS with and into Regio as the Surviving Corporation (the "***Merger***") and adopted this Agreement as a plan of reorganization under Sections 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended (the "***Code***"), upon the terms and subject to the conditions of this Agreement;

The parties hereto agree as follows:

ARTICLE I

THE MERGER AND THE SURVIVING CORPORATION; CONVERSION OF SHARES

1.1 **The Merger**. In accordance with the provisions of this Agreement, the Texas Business Corporations Act ("***TBCA***") and the Florida Business Corporation Act ("***FBCA***"), as of the Effective Time (as defined in Section 1.4), TTS shall be merged with and into Regio and shall continue its corporate existence under the laws of the State of Texas. At the Effective Time, the separate existence of TTS shall cease and the Surviving Corporation shall possess all of the rights, privileges and powers and all title and interest to all property of the TTS, and all and every other interest of or belonging to or due to TTS shall be taken and deemed to be transferred to and vested in, the Surviving Corporation, without further act or deed, and without any transfer or assignment having occurred, but subject to all existing liens thereon. At the Effective Time, all liabilities and obligations of TTS shall become the liabilities and obligations of the Surviving Corporation.

1.2 **Articles of Incorporation and Bylaws of the Surviving Corporation**. As a result of the Merger and at the Effective Time:

(i) the Articles of Incorporation of Regio as in effect immediately before the Effective Time, shall be the Articles of Incorporation of the Surviving Corporation until thereafter amended as provided by law; and

(ii) the Bylaws of Regio, as in effect immediately before the Effective Time, shall be the Bylaws of the Surviving Corporation until thereafter amended as provided by law.

1.3 **Directors and Officers of the Surviving Corporation**. The officers and directors of the Surviving Corporation, shall be as follows:

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Officers

Name	Position
Ruben De Leon	CEO
Mauricio Portillo	President
Frank De los Santos	Vice President
Victor Sanchez	Secretary
Rogelio De Leon	Treasurer

Directors
Ruben De Leon
Frank De los Santos
Mauricio Portillo

each to hold office in accordance with the Articles of Incorporation and Bylaws of the Surviving Corporation.

1.4 **Effective Time of the Merger.** The Merger shall become effective on June 30, 2005 at 9:00 a.m. CST, but only after properly executed Articles of Merger relating to the Merger (the "***Merger Filings***"), in the form attached as ***Exhibits A and B*** (together with any other documents required by law to effectuate the Merger), have been filed with the Secretaries of State of the States of Texas and Florida. The Merger Filings shall be made simultaneously with or as soon as practicable after the execution of this Agreement and the closing of the transactions contemplated by this Agreement and in no event no more than 24 hours thereafter. The date and time when the Merger shall become effective is herein referred to as the "***Effective Time.***"

1.5 **Conversion of TTS Stock.** By virtue of the Merger and without any action on the part of the holders of the capital stock of TTS, each share of common stock, $1.00 par value per share, of TTS (the "***TTS Common Stock***") issued and outstanding immediately before the Effective Time (100 shares) shall be converted into 58.6807 shares of the common stock, no par value per share, of the Surviving Corporation (the "***Surviving Corporation Shares***").

No fractional shares of the Surviving Corporation shall be issued to any holder of TTS Common Stock in the Merger (a "***TTS Shareholder***"). To the extent the application of the conversion rate to all shares of TTS Common Stock held by a TTS Shareholder would result in a fractional share of Surviving Corporation being issued to such TTS Shareholder in the Merger, the number of Surviving Corporation Shares issuable to such TTS Shareholder shall be rounded up or down to the closest whole number of Surviving Corporation Shares.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF REGIO

In order to induce the Merger, Regio hereby represents and warrants to TTS as follows:

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2.1 **Due Organization.** The Surviving Corporation is duly organized, validly existing and in good standing under the laws of the State of Texas and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted, except where the failure to be so authorized or qualified would not have a material adverse effect on its business.

2.2 **Authorization.** Regio has full legal right, and authority to execute and deliver this Agreement and the other agreements contemplated in connection with this Agreement to be executed by Regio and TTS (collectively, the "***Closing Agreements***") and to consummate the transactions contemplated thereby. The execution, delivery and performance of the Closing Agreements have been approved by the Board of Directors and the shareholders of Regio, and no other corporate proceedings on the part of Regio are necessary to authorize the execution and delivery of the Closing Agreements or the consummation of the transactions contemplated thereby. The Closing Agreements have been duly and validly executed and delivered by Regio and constitute legal, valid and binding agreements of Regio, enforceable against it in accordance with their respective terms, subject to the laws of general application relating to bankruptcy, insolvency and relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

2.3 **Capitalization.** The authorized capital stock of Regio consists of (i) 500,000 shares of common stock, no par value per share ("***Regio Common Stock***") of which 10,000 are issued and outstanding as of the date of this Agreement and owned by De Leon and De los Santos immediately before the Effective Time. No shares of Regio Common Stock are held in treasury. All issued and outstanding shares of Regio Common Stock have been duly authorized and are validly issued, fully paid, and nonassessable and are owned free and clear of all pre-emptive rights, liens, claims, charges, options or encumbrances of any kind. No shares of Regio Common Stock were issued in violation of rights of any past or present shareholder. There are no existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating Regio to issue, transfer or sell any shares of capital stock of Regio. Regio has no outstanding bonds, debentures, notes or other indebtedness having the right to vote (or that is convertible into securities having the right to vote).

2.4 **Surviving Corporation Shares.** The issuance by Regio of the Surviving Corporation Shares has been duly and validly authorized by all necessary corporate action on the part of Regio.

2.5 **Noncontravention; Approvals.** The execution and delivery of the Closing Agreements by Regio do not, and the consummation of the transactions contemplated thereby will not, conflict with or result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation of a lien, security interest, charge or encumbrance upon any of the properties or assets of Surviving Corporation under any of the terms, conditions or provisions of (i) the amended Articles of Incorporation or By-laws of the Surviving Corporation; (ii) any statute, rule, regulation, order or decree of any public body or authority by which Regio or any of its properties or assets may be bound; or (iii) any note, bond, mortgage, indenture, license, franchise, permit, agreement or other instrument or obligation to which Regio is a party, or by which it or its properties or assets may be bound, excluding from the

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foregoing clauses (ii) and (iii) violations, breaches and defaults that, and filings, permits, consents and approvals the absence of which, either individually or in the aggregate, would not have a material adverse effect on the business, operations, financial condition, results of operations or prospects of the Surviving Corporation.

Except for the Merger Filings and such filings as may be required under federal or state securities laws, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any governmental or regulatory body or authority is necessary for the execution and delivery of this Agreement by Regio or the consummation by Surviving Corporation of the transactions contemplated hereby, other than such declarations, filings, registrations, notices, authorizations, consents or approvals which, if not made or obtained, as the case may be, would not, in the aggregate, have a material adverse effect on the business, operations, properties, assets, financial condition results of operations or prospects of the Surviving Corporation.

2.6 **No Violation**. The business of Regio is and has been in full compliance with all applicable laws, ordinances, regulations, judgments, decrees, injunctions, orders or statutes, except for violations that, individually or in the aggregate, do not and are not expected to have a material adverse effect on its operations, businesses or financial condition.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF TTS

In order to induce the Merger, TTS hereby represents and warrants to the Surviving Corporation as follows:

3.1 **Due Organization**. TTS is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite corporate power and authority necessary to own, lease and operate its properties and assets and to carry on its businesses as now being conducted. TTS is duly qualified and in good standing in every jurisdiction in which it is required by the nature of its businesses or the ownership or leasing of its properties to so qualify, except to the extent that any failure to be so qualified or in good standing would not have a material adverse effect on the business, operations or financial condition of the Company.

3.2 **Authorization**. TTS has full legal right, power and authority to execute and deliver the Closing Agreements and to consummate the transactions contemplated thereby. The execution and delivery of the Closing Agreements and the consummation of the transactions contemplated thereby have been duly and validly authorized and approved by TTS's Board of Directors and its shareholders. No other corporate proceedings on the part of TTS are necessary to authorize the Closing Agreements and the Merger or the consummation of the transactions contemplated hereby or thereby. The Closing Agreements have been duly and validly executed and delivered by TTS, and constitute legal, valid and binding agreements of TTS enforceable against it in accordance with their respective terms.

Except for the Merger Filings and such filings as may be required under federal or state securities laws, no declaration, filing or registration with, or notice to, or authorization, consent,

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or approval of, any governmental or regulatory body or authority is necessary for the execution and delivery of this Agreement by TTS or the consummation by TTS of the transactions contemplated hereby.

3.3 **Capitalization.** The authorized capital stock of TTS consists of 10,000 shares of Common Stock, of which there are 100 shares issued and outstanding and owned of record and beneficially by De Leon, De los Santos and Portillo. No shares of TTS Common Stock are held in TTS's treasury. All issued and outstanding shares of TTS Common Stock have been duly authorized and are validly issued, fully paid, and nonassessable and are owned free and clear of all pre-emptive rights, liens, claims, charges, options or encumbrances of any kind. No shares of TTS Common Stock were issued in violation of rights of any past or present shareholder. There are no existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating TTS to issue, transfer or sell any shares of capital stock of TTS . TTS has no outstanding bonds, debentures, notes or other indebtedness having the right to vote (or that is convertible into securities having the right to vote).

3.4 **Noncontravention; Approvals.** The execution and delivery of the Closing Agreements by TTS do not, and the consummation of the transactions contemplated thereby will not, conflict with or result in a violation or breach of, or constitute a default (or an event that, with notice or lapse of time or both, would constitute a default) under or result in any right of termination, cancellation or acceleration under, or in the creation of a lien, security interest, charge or encumbrance upon any of the properties or assets of TTS under any of the terms, conditions or provisions of (i) the Articles of Incorporation or By-laws of TTS; (ii) any statute, rule, regulation, order or decree of any public body or authority by which TTS or any of its properties or assets may be bound; or (iii) any note, bond, mortgage, indenture, lease, license, franchise, permit, contract, agreement or other instrument or obligation to which TTS is a party, or by which its properties or assets may be bound.

3.5 **No Violation.** The business of TTS is and has been in full compliance with all applicable laws, ordinances, regulations, judgments, decrees, injunctions, orders or statutes, except for violations that, individually or in the aggregate, do not and are not expected to have a material adverse effect on its operations, businesses or financial condition.

ARTICLE IV

INVESTMENT REPRESENTATIONS OF THE SHAREHOLDERS

4.1 **Investment Representatives.** Each Shareholder hereby represents and warrants to Surviving Corporation as follows:

(a) He fully understands the nature, scope and duration of limitations on transfer of the shares of Surviving Corporation Stock included in this Agreement.

(b) He has such knowledge and experience in financial and business matters generally, and of the Surviving Corporation specifically, as to be capable of evaluating the risks and merits of an investment in the Surviving Corporation Shares.

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(c) He is an "accredited investor," as that term is defined in Regulation D under the 1933 Act.

(d) He recognizes that the offer and sale by Surviving Corporation to him of the Surviving Corporation Shares has not been and will not be registered under the 1933 Act in reliance upon the exemptions from registration afforded by Section 4(2) thereof and the rules and regulations promulgated thereunder, and have not been and will not be registered under the 1933 Act or any other state or federal securities or blue sky laws (collectively, the "*Securities Laws*") in reliance upon exemptions from the registration requirements thereof. He is acquiring the Surviving Corporation Shares solely for his account for investment purposes and not with a view to, or for offer or resale in connection with, a distribution thereof in violation of any Securities Laws. He understands that the effect of such representation and warranty is that the Surviving Corporation Shares must be held indefinitely unless the sale or transfer thereof is subsequently registered under the Securities Laws or an exemption from such registration is available at the time of any proposed sale or other transfer thereof. He acknowledges that any resale of the Surviving Corporation Shares by him must be made pursuant to an effective registration statement under the 1933 Act or in compliance with Rule 145 under the 1933 Act. He also understands that Surviving Corporation is under no obligation to file a registration statement under the 1933 Act covering the sale or transfer of any of the Surviving Corporation Shares. He acknowledges that Surviving Corporation is and will be relying upon the truth and accuracy of the representations and warranties contained herein in issuing the Surviving Corporation Shares to him without first filing a registration statement with respect thereto under the Securities Laws.

(e) He acknowledges that a legend will be placed on the certificates representing the Surviving Corporation Shares in substantially the form set out below:

> THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS. THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 OR AN OPINION OF COMPANY'S COUNSEL THAT REGISTRATION IS NOT REQUIRED.

(f) He acknowledges that stop transfer instructions have been or will be placed with respect to the Surviving Corporation Shares so as to restrict his resale or distribution thereof.

(g) He represents that he has no contract, undertaking, agreement or arrangement, written or oral, with any other person to sell, transfer or grant participation in any of the Surviving Corporation Shares to be acquired by him.

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4.2 Common Ownership; Knowledge of TTS Business and Operations. De Leon, De los Santos and Portillo are all of the shareholders of TTS, have a working knowledge of TTS's business and operations, and have been provided with copies of the most recent financial statements of TTS.

4.3 Common Ownership; Knowledge of Regio Business and Operations. De Leon and De los Santos are also shareholders of Regio, have a working knowledge of Regio's business and operations, and have been provided with copies of the most recent financial statements of Regio.

ARTICLE V

POST-CLOSING MATTERS

5.1 Future Cooperation; Tax Matters. The Shareholders and Surviving Corporation shall each deliver or cause to be delivered to the other following the Effective Time such additional instruments as the other may reasonably request for the purpose of fully carrying out this Agreement. The Shareholders will cooperate and use their reasonable best efforts to have the present officers, directors and employees of the Company cooperate with Surviving Corporation at and after the Effective Time in furnishing information, evidence, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes of any nature with respect to matters pertaining to all periods prior to the Effective Time. Surviving Corporation will cooperate with the Shareholders in the preparation of all tax returns covering the period from the beginning of the Company's current tax year through the Effective Time. In addition, Surviving Corporation will provide the Shareholders with access to such of its books and records as may be reasonably requested by the Shareholders in connection with federal, state and local tax matters relating to periods prior to the Effective Time.

ARTICLE VI

INDEMNIFICATION

6.1 Survival of Representations and Warranties. The representations and warranties of the parties hereto contained in this Agreement or in any writing delivered pursuant hereto shall survive the Closing and the consummation of the transaction contemplated hereby, notwithstanding any investigation by or on behalf of any party hereto, until the first anniversary of the closing of the Merger (the "*Expiration Date*").

6.2 Indemnification by Surviving Corporation. To the extent provided in this Article VI, the Surviving Corporation shall indemnify and hold harmless the Shareholders from and against any Damages that the Shareholders may sustain, suffer, or incur and that may result from, arise out of or relate to any breach of any representation, warranty, covenant or agreement of Surviving Corporation contained in this Agreement.

6.3 Procedure for Indemnification; Third Party Claims.

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(a) Within 15 days after receipt of notice of commencement of any action by any third party evidenced by service of process or other legal pleading, or with reasonable promptness after the assertion in writing of any claim by a third party, the party entitled to indemnification hereunder (*"Indemnified Person"*) shall give the party obligated to provide indemnification under Section 6.2 or 6.3 hereof (the *"Indemnifying Person"*) written notice thereof, together with a copy of such claim, process or other legal pleading. The failure to so notify the Indemnifying Person within the above time frame will not relieve the Indemnifying Person of any liability it may have to the Indemnified Person, except to the extent the Indemnifying Person demonstrates that the defense of such action is unduly prejudiced by the Indemnified Person's failure to give such notice. The Indemnifying Person shall have the right to undertake the defense, settlement, compromise or other disposition thereof at its own expense and through a legal representative of its own choosing. The Indemnified Person and its counsel shall have the right to be present at the negotiation, defense and settlement of such action or claim, and any settlement or compromise of any such action or claim shall be subject to the approval of the Indemnified Person, which approval shall not be unreasonably withheld.

(b) If the Indemnifying Person, by the 30th day after receipt of notice of any such claim (or, if earlier, by the 10th day immediately preceding the day on which an answer or other pleading must be served in order to prevent judgment by default in favor of the person asserting such claim), has not notified the Indemnified Person of its election to defend against such claim, the Indemnified Person shall have the right to undertake the defense, compromise or settlement of such claim through counsel of its choice on behalf of and for the account and risk of the Indemnifying Person, at the cost and expense of the Indemnifying Person. In such event, the Indemnifying Party and its counsel shall have the right to be present at the negotiation, defense and settlement of such action or claim, and any settlement or compromise of any such action or claim shall be subject to the approval of the Indemnifying Party, which approval shall not be unreasonably withheld.

(c) With regard to claims pursuant to this Section 6.3, any reasonable fees or expenses of the party undertaking the defense of the claim, incurred in connection with the defense of such claim, including fees and expenses of counsel, shall be considered Damages.

6.4 **Procedure for Indemnification: Other Than Third Party Claims.** Any claim for indemnification for any matter not involving a third-party claim shall be asserted by written notice to the Indemnifying Person on or before the Expiration Date.

6.5 **Limitations on Liability of the Shareholders.**

(a) No claim for indemnification shall be made by any Surviving Corporation Indemnitee with respect to any matter unless and until the total amount of Damages exceeds $10,000, and then only for the excess over such amount.

(b) The aggregate liability of the Shareholders in connection with their indemnification obligations under Section 6.2 shall not exceed the value of the Surviving Corporation Shares.

Indemnification 7

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(c) No claim for indemnification shall be made hereunder unless asserted by a written notice given to the Indemnifying Party, on or prior to the Expiration Date.

(d) Any claim for indemnification for Damages hereunder shall be offset or reduced by the amount of any tax benefit or insurance proceeds received by the Indemnified Person as a result of the event giving rise to such Damages, even though such benefit may arise after the Expiration Date.

(e) The Indemnified Person shall act in good faith and in a commercially reasonable manner to mitigate any Damages for which it may seek indemnification under this Article VI.

6.6 **Other Rights and Remedies Not Affected.** The foregoing indemnification provisions are in addition to any statutory, equitable or common law remedy any party may have for breach of representations, warranties, covenants or agreements.

ARTICLE VII

MISCELLANEOUS

7.1 **Entire Agreement.** This Agreement, including the exhibits and schedules hereto and the agreements and disclosure memorandums expressly referred to herein, embodies the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and the understandings between the parties with respect to such subject matter.

7.2 **Notices.** Any notices permitted or required to be given under the terms of this Agreement shall be in writing and shall be deemed given if delivered to the party to be notified at the address specified below, by first class mail, overnight courier or fax with hard copy being sent by first class mail or overnight courier. Such notice shall be deemed received 24 hours after it is sent via fax (with receipt confirmed) or overnight courier. Any notice given in any other manner shall be effective only if and when received.

(a) if to the Surviving Corporation or the Company, to it at:

6612 S. 28th Street
McAllen, Texas 78503
Attn: Mr. Ruben De Leon, President
Telecopier No.: 956-668-9940

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With a copy (which shall not constitute notice) to:

Sabrina A. McTopy
Jackson Walker LLP
1401 McKinney, Suite 1900
Houston, Texas 77010
Telecopier No.: 713-308-4140

7.3 **Amendment and Modification.** This Agreement may be amended, modified or supplemented only by a written instrument designated as an "amendment" to this Agreement and signed by the parties hereto, and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument signed by the person specifically waiving such observance.

7.4 **Governing Law; Venue.** THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED UNDER, ENFORCED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF TEXAS APPLICABLE TO AGREEMENTS TO BE MADE AND PERFORMED SOLELY WITHIN SUCH STATE, WITHOUT GIVING EFFECT TO ANY CONFLICTS OR CHOICE OF LAWS PRINCIPLES WHICH MIGHT OTHERWISE APPLY. THE PARTIES AGREE THAT ANY DISPUTE ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE RESOLVED BY A COURT OF COMPETENT JURISDICTION IN HIDALGO COUNTY, TEXAS.

7.5 **Expenses.** Except as otherwise provided herein, the Surviving Corporation shall pay the fees and expenses of Surviving Corporation's representatives, accountants and counsel incurred in connection with the execution, delivery and performance of this Agreement and the Closing Agreements. TTS will pay the fees and expenses of TTS's representatives, accountants and counsel incurred in connection with the execution, delivery and performance of this Agreement and the Closing Agreements.

7.6 **Assignment.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; but neither this Agreement nor any of the rights, interest or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties or by operation of law, and this Agreement is not intended to confer upon any other person except the parties (and their successors and permitted assigns) any rights or remedies hereunder.

7.7 **Waiver of Breach.** No waiver of any provision of this Agreement shall constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a waiver of any subsequent breach of such provision.

7.8 **Severability.** If any provision of this Agreement is declared unenforceable by a court of last resort, such provision shall be enforced to the greatest extent permitted by law, and such declaration shall not affect the validity of any other provision of this Agreement.

7.9 **Multiple Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

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7.10 Construction. The headings contained in this Agreement are for reference purposes only and shall not affect this Agreement in any manner whatsoever. Wherever required by the context, any gender shall include any other gender, the singular shall include the plural, and the plural shall include the singular.

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IN WITNESS WHEREOF, the Surviving Corporation and TTS have caused this Agreement to be signed by their respective duly authorized officers, and the Shareholders have executed this Agreement, all on _____, 2005.

SURVIVING CORPORATION:

REGIO USA, INC.

By:_____
Ruben De Leon, President

MERGED CORPORATION:

TALAVERA TILE & STONE CORP.

By:_____
Mauricio Portillo, President

SHAREHOLDERS:

_____
Ruben De Leon

_____
Frank De los Santos

_____
Mauricio Portillo

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STATE OF TEXAS §
§
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, personally appeared Ruben De Leon, President of Regio USA, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and being by me first duly sworn, declared and acknowledged to me that he executed the same for the purposes and consideration therein expressed and that the statements contained therein are true and correct.

GIVEN under my hand and seal of office this _____ day of _____, 2005.

_____
Notary Public in and for
The State of Texas

_____
Printed Name of Notary Public

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, personally appeared _____, President of Talavera Tile & Stone Corp., known to me to be the person whose name is subscribed to the foregoing instrument, and being by me first duly sworn, declared and acknowledged to me that he executed the same for the purposes and consideration therein expressed and that the statements contained therein are true and correct.

GIVEN under my hand and seal of office this _____ day of _____, 2005.

_____
Notary Public in and for
The State of Texas

_____
Printed Name of Notary Public

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STATE OF TEXAS §
§
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, personally appeared Ruben De Leon, known to me to be the person whose name is subscribed to the foregoing instrument, and being by me first duly sworn, declared and acknowledged to me that he executed the same for the purposes and consideration therein expressed and that the statements contained therein are true and correct.

GIVEN under my hand and seal of office this _____ day of _____, 2005.

_____
Notary Public in and for
The State of Texas

_____
Printed Name of Notary Public

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, personally appeared Frank De los Santos, known to me to be the person whose name is subscribed to the foregoing instrument, and being by me first duly sworn, declared and acknowledged to me that he executed the same for the purposes and consideration therein expressed and that the statements contained therein are true and correct.

GIVEN under my hand and seal of office this _____ day of _____, 2005.

_____
Notary Public in and for
The State of Texas

_____
Printed Name of Notary Public

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STATE OF TEXAS §
§
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, personally appeared Mauricio Portillo, known to me to be the person whose name is subscribed to the foregoing instrument, and being by me first duly sworn, declared and acknowledged to me that he executed the same for the purposes and consideration therein expressed and that the statements contained therein are true and correct.

GIVEN under my hand and seal of office this _____ day of _____, 2005.

_____
Notary Public in and for
The State of Texas

_____
Printed Name of Notary Public

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EXHIBIT A

ARTICLES OF MERGER

Pursuant to the provisions of article 5.04 of the Texas Business Corporations Act (the "*TBCA*"), the undersigned corporations adopt these Articles of Merger for the purpose of effecting a merger in accordance with the provisions of article 5.01 of the TBCA.

ARTICLE I

An Agreement and Plan of Merger (the "*Plan*"), adopted in accordance with the provisions of article 5.03 of the TBCA, provides for the merger of Talavera Tile & Stone Corp. Inc. with and into Regio USA, Inc., as the surviving corporation. No amendments or changes shall be made to the Articles of Incorporation of the surviving corporation. The executed Plan is on file at the principal place of business of the surviving corporation: 6612 S. 28th Street, McAllen, Texas 78503. A copy of the Plan will be furnished on written request and without cost, to any shareholder of each corporation that is a party to the Plan.

ARTICLE II

The name of each of the undersigned corporations and other entities, the type of such corporation or other entity and the laws of the state under which it was organized are as follows:

Name of Corporation or Other Entity	Type of Entity	State
Talavera Tile & Stone Corp.	Corporation	Florida
Regio USA, Inc.	Corporation	Texas

ARTICLE III

The Plan was submitted to the shareholders of each of the undersigned corporations by their respective Board of Directors. As to each of the undersigned corporations, the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on the Plan, are as follows:

Name of Corporation	Number of Outstanding Shares	Number of Shares Entitled to Vote as a Class
Talavera Tile & Stone Corp.	1,000 Common	1,000
Regio USA, Inc.	10,000 Common	10,000

ARTICLE IV

The Plan was approved by the unanimous consent of the shareholders of each of Talavera Tile & Stone Corp, and Regio USA, Inc.

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ARTICLE V

The Plan and the performance of its terms were duly authorized by all actions required by laws under which each corporation was incorporated or organized and by its constituent documents.

ARTICLE VII

The merger will become effective on June 30, 2005, at 9:00 a.m., in accordance with the provisions of article 10.03 of the TBCA.

DATED June _____, 2005

SURVIVING CORPORATION:

REGIO USA, INC.

By:_____
Ruben De Leon, President

MERGED CORPORATION:

TALAVERA TILE & STONE CORP.

By:_____
Mauricio Portillo, President

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EXHIBIT B

ARTICLES OF MERGER

Pursuant to the provisions of Section 607.1105 of the Florida Business Corporation Act (the "*Act*"), the undersigned corporations hereby adopt the following Articles of Merger:

ARTICLE I

The name and state of incorporation of each of the constituent corporations are:

Name of Corporation or Other Entity	Type of Entity	State
Talavera Tile & Stone Corp.	Corporation	Florida
Regio USA, Inc.	Corporation	Texas

ARTICLE II

A copy of the Agreement and Plan of Merger (the "*Plan*"), as approved by each constituent corporation in accordance with its organizational documents and the Act, is set forth in Exhibit A attached hereto, which is incorporated herein by this reference.

ARTICLE III

The name of the surviving corporation is Regio USA, Inc.

ARTICLE IV

The Articles of Incorporation of Regio USA, Inc. shall be the Articles of Incorporation of the surviving corporation.

ARTICLE V

The authorized capital stock of Regio USA, Inc. consists of 500,000 shares of common stock, no par value per share, of which 10,000 shares are issued, outstanding and entitled to vote on the Plan. Pursuant to a unanimous written consent dated June 8, 2005, the shareholders of all such shares approved the merger pursuant to the Plan.

ARTICLE VI

The authorized capital stock of Talavera Tile & Stone, Inc. consists of 10,000 shares of common stock, par value $1.00 per share, of which 100 shares are issued, outstanding and entitled to vote on the Plan. Pursuant to a written consent dated June 8 2005, the shareholders of all of such shares approved the merger pursuant to the Plan.

ARTICLE VII

The effective date of the merger shall be June 30, 2005.

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IN WITNESS WHEREOF, the undersigned corporations have caused these Articles of Merger to be executed as of_____, 2005, by their respective authorized officers, each of whom hereby acknowledge, by his execution hereof, that the statements contained in these Articles of Merger are true and correct to the best of his knowledge and belief.

SURVIVING CORPORATION:

REGIO USA, INC.

By:_____
Ruben De Leon, President

MERGED CORPORATION:

TALAVERA TILE & STONE CORP.

By:_____
Mauricio Portillo, President

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EXHIBIT A

PLAN OF MERGER