

Document Number Only

632624

CI CORPORATION SYSTEM

660 EAST JEFFERSON STREET

Requestor's Name
TALLAHASSEE, FL 32301

Address
222-1092

City State Zip Phone

CORPORATION(S) NAME

300002679983--0
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*****70.00 *****70.00

Stephen C. Pomeroy, Inc.
merging with and into:
Pomeroy Acquisition Corp.

Merger

- Profit
- NonProfit
- Limited Liability Co.
- Foreign
- Limited Partnership
- Reinstatement
- Certified Copy
- Call When Ready
- Walk In
- Mail Out
- Amendment
- Dissolution/Withdrawal
- Annual Report
- Name Registration
- Fictitious Name
- Photo Copies
- Call if Problem
- Will Wait
- M...
- O...
- Change R.A.
- UCC
- CUS
- After 4:30
- Pick Up

FILED
98 NOV -4 PM 3:02
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Name Availability	11/4/98
Document Examiner	DR
Updater	DR
Verifier	DR
Acknowledgment	DR
W.P. Verifier	DR

NOV 04 1998

Thanks
Jeff

RECEIVED
98 NOV -4 PM 11:09
VISION OF CORPORATION

ARTICLES OF MERGER
Merger Sheet

MERGING:

STEPHEN C. POMEROY, INC., a Florida corporation 632624
,

INTO

POMEROY ACQUISITION CORP., a Delaware corporation not qualified in
Florida.

File date: November 4, 1998

Corporate Specialist: Annette Ramsey

CERTIFICATE OF MERGER
OF
STEPHEN C. POMEROY, INC.
AND
POMEROY ACQUISITION CORP.

FILED
98 NOV -4 PM 3:03
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1105 of the Florida Statutes and Section 252 of the Delaware General Corporation Law, the undersigned hereby certify that:

1. Stephen C. Pomeroy, Inc., a Florida corporation ("Pomeroy-Florida"), shall be merged with and into Pomeroy Acquisition Corp., a Delaware corporation ("Pomeroy-Delaware"), which shall be the Surviving Corporation, (the "Merger").

2. The Merger shall become effective on the day that these Articles of Merger have been filed by the Secretary of State of Delaware (the "Effective Date").

3. The Certificate of Incorporation of Pomeroy-Delaware as in effect on the Effective Date shall remain in effect and be the Certificate of Incorporation of the Surviving Corporation except that the Surviving Corporation shall change its name and be known as "Stephen C. Pomeroy, Inc." as of the Effective Date.

4. The Agreement and Plan of Merger dated as of October 15, 1998, pursuant to which the Merger shall be accomplished and a certified copy of which is attached hereto, was adopted in accordance with the Florida Statutes and the Delaware General Corporation Law, and by the shareholders of Pomeroy-Florida by unanimous written consent dated as of October 15, 1998, and by the sole shareholder of Pomeroy-Delaware by unanimous written consent dated as of October 8, 1998.

IN WITNESS WHEREOF, these Articles of Merger have been executed on behalf of Pomeroy-Florida and Pomeroy-Delaware by their respective authorized officer as of November 2, 1998.

STEPHEN C. POMEROY, INC. a Florida corporation

By: 
Stephen C. Pomeroy, Inc., President

POMEROY ACQUISITION CORP., a Delaware corporation

By: 
Randolph W. Bryant, Vice President

AGREEMENT AND PLAN OF MERGER
BY AND AMONG
GROUP MAINTENANCE AMERICA CORP.
POMEROY ACQUISITION CORP.
STEPHEN C. POMEROY, INC.
AND
THE HOLDERS OF THE
OUTSTANDING CAPITAL STOCK
OF
STEPHEN C. POMEROY, INC.
OCTOBER 15, 1998

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement") made effective as of October 15, 1998, by and among Group Maintenance America Corp., a Texas corporation (the "Parent"), Pomeroy Acquisition Corp., a Delaware corporation ("Merger Sub"), Stephen C. Pomeroy, Inc., a Florida corporation (the "Company"), and the undersigned holders of all of the outstanding shares of capital stock of the Company (the "Shareholders").

WHEREAS, the Company is engaged in the same trade and business as that of the Parent and its affiliates, and the Parent desires to acquire the Company to complement the Parent's and its affiliates' existing trade and business activities;

WHEREAS, the respective Boards of Directors of the Parent, Merger Sub and the Company have each approved the merger of the Company with and into Merger Sub (the "Merger") pursuant to this Agreement and all applicable laws, and pursuant to the Merger each issued and outstanding share of Common Stock, \$5.00 par value per share, of the Company ("Company Common Stock") will be converted into the right to receive certain shares of common stock, \$.001 par value per share, of the Parent ("Parent Common Stock"), and certain cash consideration, all as provided herein;

WHEREAS, the Merger has been approved, as required by applicable law, by the Parent, acting as sole shareholder of Merger Sub, and by the Shareholders; and

WHEREAS, for federal income tax purposes, the parties hereto intend that the Merger shall qualify as a reorganization within the meaning of Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, in consideration of the premises and the representations, warranties and agreements herein contained, the parties hereto agree as follows:

SECTION 1. THE MERGER

1.1 The Merger. Subject to the terms and conditions hereof, and in accordance with all applicable law, upon the Effective Time (as defined in Section 1.2), the Company shall be merged with and into Merger Sub. Merger Sub, as the surviving entity following the Merger, is sometimes referred to in this Agreement as the "Surviving Corporation."

1.2 Effective Time of the Merger. In accordance with the requirements of applicable law, appropriate Articles of Merger shall be prepared, executed and submitted for filing with the Secretary of State of the State of Florida as soon as practicable following the Closing (as defined below). The date of such filing is referred to in this Agreement as the "Effective Time."

1.3 Closing. The closing of the Merger ("Closing") will take place at 10:00 a.m. at the offices of White & Case LLP in Miami, Florida on October 15, 1998 ("Closing Date"); *provided* that each of the conditions precedent to the obligations of the parties to effect the Merger set forth in Article 6 of this Agreement are then satisfied or waived by the applicable party. The parties may agree in writing on another date, time or place for the Closing. At the Closing, the parties will deliver or cause to be delivered the documents described in Sections 6.3 and 6.4 below.

1.4 Effects of the Merger.

1.4.1 At the Effective Time. At the Effective Time, (i) the Company shall merge with and into Merger Sub and as a result thereof, the separate existence of the Company shall cease, (ii) the Articles of Incorporation of Merger Sub, as in effect immediately prior to the Effective Time, shall be the Articles of Incorporation of the Surviving Corporation, except that the Articles of Incorporation of Merger Sub shall be amended to provide that the name of the Surviving Corporation shall be changed to "Stephen C. Pomeroy, Inc.," (iii) the Bylaws of Merger Sub as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation, and (iv) the directors and officers of Merger Sub immediately prior to the Effective Time shall become the directors and officers of the Surviving Corporation, until the earlier of their resignation or removal or until their respective successors are duly elected or appointed, as the case may be.

1.4.2 Effects on the Surviving Corporation. As of and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, immunities and franchises of a public as well as of a private nature previously belonging to the Company and Merger Sub; and all property (real, personal and mixed), and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest of or belonging to or due to each of the Company and Merger Sub shall be transferred to, and vested in, the Surviving Corporation without further act or deed; and all such property, rights and privileges, powers and franchises and all and every other interest shall be thereafter the property of the Surviving Corporation as they were of the Company and Merger Sub; and the title to any real estate, or interest therein, whether by deed or otherwise, shall not revert or be in any way impaired by reason of the Merger. The Surviving Corporation shall be responsible and liable for all the liabilities and obligations of the Company and Merger Sub, and any claim existing, or action or proceeding pending, by or against the Company or Merger Sub may be prosecuted against the Surviving Corporation. Neither the rights of creditors nor any liens upon the property of the Company or Merger Sub shall be impaired by the Merger, and all debts, liabilities and duties of each of the Company and Merger Sub shall attach to the Surviving Corporation, and may be enforced against it to the same extent as if such debts, liabilities and duties had been incurred or contracted by it, all in accordance with all applicable corporate law and the terms of this Agreement.

1.5 Written Consents and Other Actions.

1.5.1 Unanimous Written Consent of the Shareholders; Other Matters. Contemporaneously with the execution hereof, each of the Shareholders (i) is executing and delivering to the Company a Unanimous Written Consent in substantially the form of Exhibit 1.5.1 attached hereto, and (ii) hereby acknowledges that such Shareholder is aware of such Shareholder's dissenter's or appraisal rights with respect to the Merger and has elected not to exercise such rights.

1.5.2 Written Consent of the Sole Shareholder of Merger Sub. Contemporaneously with the execution hereof, the Parent is executing and delivering to Merger Sub a written consent of the sole shareholder of Merger Sub, in the form of Exhibit 1.5.2 attached hereto, pursuant to the applicable provisions of all applicable laws, adopting this Agreement.

1.5.3 All Other Necessary Actions. In addition to the actions described in Sections 1.5.1 and 1.5.2, the Parent, Merger Sub and the Company will take all actions necessary in accordance with all applicable laws and their respective articles of incorporation and bylaws to cause the Merger to be consummated subject to the terms set forth in this Agreement and applicable law.

1.6 Conversion of Stock. As of the Effective Time, by virtue of the Merger and without further action on the part of any holder of shares of Company Common Stock or any holder of shares of capital stock of Merger Sub:

1.6.1 Merger Sub Capital Stock. Each share of capital stock of Merger Sub issued and outstanding at the Effective Time shall remain outstanding and shall be unchanged at and after the Merger and immediately following the Effective Time shall constitute all of the issued and outstanding capital stock of the Surviving Corporation.

1.6.2 Cancellation of the Company Treasury Stock. All shares of Company Common Stock that are owned by the Company as treasury stock or by any of its subsidiaries shall be canceled and retired and shall cease to exist and no stock of the Parent or other consideration shall be delivered in exchange therefor.

1.6.3 Merger Consideration. Each share of Company Common Stock (other than shares to be canceled in accordance with Section 1.6.2) shall be converted into the right to receive (i) that number of shares of Parent Common Stock described in Section 1.7 below and (ii) cash in the amount described in Section 1.7 below. Each share of Company Common Stock so converted into the right to receive shares of Parent Common Stock and cash (a "Converted Share") shall, by virtue of the Merger and without any action on the part of the holder thereof, at the Effective Time no longer be outstanding and shall at such time be canceled and retired and shall cease at such time to exist. Each holder of a certificate which prior to the Effective Time validly evidenced any such Converted Share (a "Stock Certificate") shall thereafter cease to have any rights with respect to such Converted Share, except, upon the surrender of the Stock Certificate and a duly executed and completed letter of transmittal in accordance with Section 1.7, the right to receive such Parent Common Stock and cash at the times and in the manner set forth herein.

1.7 Exchange of and Payment for Stock.

1.7.1 Purchase Price. The purchase price (the "Total Consideration") for all of the shares of Company Common Stock shall be [\$15,392,309], payable in (i) the number of shares of Parent Common Stock having an aggregate Stated Value (as defined below) equal to [\$7,500,000] and (ii) cash equal to [\$7,892,309]. For purposes of this Section 1.7.1, "Stated Value" is defined as the average of the closing prices of the Parent Common Stock on the New York Stock Exchange for the ten trading days ending two trading days prior to the Closing, adjusted for any stock splits, stock dividends or other capital adjustments between the date hereof and the Closing.

1.7.2 Delivery of Company Common Stock and Merger Consideration. All of the Company Common Stock held by the Shareholders will be surrendered at Closing by the Shareholders to the Parent together with properly completed and executed letters of transmittal in substantially the form attached hereto as *Exhibit 1.7* (with each such signature guaranteed by a commercial bank or notarized by a notary public or similar official reasonably satisfactory to the Parent). The Parent (i) shall cause to be delivered to the Shareholders on a pro rata basis (determined by the number of shares of Company Common Stock held by each Shareholder) at the Closing the cash portion of the Total Consideration less \$250,000, (the "Holdback") and (ii) shall notify and direct the Parent's stock transfer agent to prepare and deliver to the Shareholders certificates representing the Parent Common Stock portion of the Total Consideration applicable to each of the Converted Shares evidenced by the Stock Certificates properly surrendered by the Shareholders to the Parent. The Parent shall deliver the Holdback, less amounts owed by the Shareholders pursuant to Sections 1.8.5 and 1.8.6, to the Shareholders pro rata at such time as the Shareholders' obligations pursuant to Sections 1.8.5 and 1.8.6 have been fulfilled.

1.7.3 Payment In Full Satisfaction of All Rights. The delivery of the cash portion of the Total Consideration payable at Closing to the Shareholders and the notification of the Parent's stock transfer agent with respect to the issuance of the Parent Common Stock shall be deemed to be payment in full satisfaction of all rights pertaining to the outstanding Converted Shares.

1.7.4 Shareholder Acknowledgment. The Company and the Shareholders each acknowledge (i) receipt of copies of the Prospectus of the Parent dated October 12, 1998 ("Prospectus") and (ii) that each Shareholder has reviewed such Prospectus with the assistance of competent professional financial and legal advice.

1.8 Post-Closing Adjustment.

1.8.1 Notice of Adjustment. In the event the Parent determines that, following the Balance Sheet Date (as defined in Section 2.8) and prior to or as of the Closing Date, (i) except as set forth on Schedule 1.8.1, the Company has declared or paid any unusual bonuses, fees, commissions or distributions to any of the Shareholders or the Company's officers, directors, or employees, (ii) the Company has incurred any expenses related to the transactions contemplated by this Agreement, (iii) except as set forth on Schedule 1.8.1, the Company has incurred expenses of a type and in amounts exceeding those amounts already incurred by the Company as of the Balance Sheet Date as set forth in Exhibit 1, or (iv) the Company has paid those Shareholders which shall be parties to those Employment Agreements attached as Exhibit 6.3.3 salaries in excess of the salaries contemplated by such Employment Agreements, the Parent may deliver written notice to the Shareholders (the "Notice of Adjustment") setting forth in reasonable detail the types and amounts of the such expenses, payments and distributions. The sum total of such expenses, payments and distributions shall be deemed an adjustment to the Total Consideration and shall be governed by the provisions of this Section 1.8 .

1.8.2 Review. After delivery to the Shareholders of the Notice of Adjustment, the Shareholders and the Shareholders' representatives shall be afforded the opportunity to review and inspect all of the financial records, work papers, schedules and other supporting papers relating to the preparation of such Notice, and to consult with the Parent and its representatives regarding the methods used in the preparation of such Notice.

1.8.3 Disputes. The Notice of Adjustment shall be final, conclusive and binding for purposes of this Agreement, unless the Shareholders deliver to the Parent a written notice of disagreement ("Notice of Dispute") with any item or items in the Notice of Adjustment within 20 business days following receipt of such Notice, specifying in reasonable detail the nature and extent of such disagreement; *provided, however*, that no Notice of Dispute may be given, and no such Notice shall be valid, with respect to any items unless such items in the aggregate involve an amount equal to or exceeding \$10,000.

1.8.4 Resolution by Parties. If a Notice of Dispute is properly given, the Parent and the Shareholders agree to negotiate in good faith and use their commercially reasonable best efforts to resolve any disagreement with respect to the Notice of Adjustment. If the Parent and the Shareholders do not resolve the dispute within 30 days following receipt by the Parent of a properly given Notice of Dispute, a nationally recognized certified public accounting firm mutually agreed upon by the Parent and the Shareholders which does not have any significant past or present relationship with any of the parties hereto (the "Accountants") shall resolve such dispute within 30 days after its submission to the Accountants. The Parent and the Shareholders (if the dispute is resolved by them) or the Accountants (if a dispute is resolved by them) shall set forth such resolution in writing, and such writing shall be final, conclusive and binding for purposes of this Agreement.

1.8.5 Payment. The Shareholders shall pay the Parent the Adjustment, if any, in cash within 10 business days following the date of the Notice of Adjustment or the resolution of the Notice of Dispute, as the case may be.

1.8.6 Purchase of Certain Receivables. If any accounts receivable (other than retainages) included in the assets of the Company as of the Closing remain unpaid in full on the date that occurs 120 days following the Closing, the Shareholders shall, within 150 days following Closing, prepare and submit to the Parent a schedule of same, such schedule to include sufficient detail regarding such accounts, to include without limitation aging information. The Surviving Corporation may elect to assign, in whole or in part, such receivables to the Shareholders, and the Shareholders shall, within 10 days following notice by Surviving Corporation, purchase such receivables from the Surviving Corporation without recourse for cash in the amount of the uncollected face amount of such receivables, net of any reserve therefor, which was recorded on the books of the Company as of the Balance Sheet Date. Furthermore, if any retainages that were part of the calculation of the net worth of the Company as of the Balance Sheet Date are not collected (after considering any reserves with respect thereto as of the Balance Sheet Date) by the Company within six months following the completion of the project to which they relate, the Surviving Corporation may elect to assign such retainages to the Shareholders, and the Shareholders will, within 10 days following notice by Surviving Corporation, purchase such retainages for cash in the amount of the uncollected face amount of such retainages. The above-referenced purchases by the Shareholders shall be pro rata, based on their ownership of the shares of Company Common Stock on the Closing Date.

1.8.7 Expenses. The Parent and the Shareholders shall each pay their own costs incurred in connection with this Section 1.8, including without limitation the fees and expenses of their respective attorneys, accountants, and financial advisors, if any; *provided, however* the cost of the Accountants associated with the resolution of a Notice of dispute shall be paid by the parties in the same ratio as the resolution of the disputed items.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SHAREHOLDERS. Except with respect to Sections 2.3, 2.4(ii) and 2.5(ii) as to which each of the Shareholders severally represents and warrants to the Parent and the Merger Sub, the Company and each Shareholder, jointly and severally, hereby represent and warrant to the Parent and Merger Sub as follows:

2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is duly qualified or licensed as a foreign corporation authorized to do business in all other states in which any of its assets or properties may be situated or where the business of the Company is conducted except where the failure to obtain such qualification or license will not have a Company Material Adverse Effect (as defined below). The Company does not own, of record or beneficially, directly or indirectly, any of the outstanding capital stock, voting interests or ownership interests in any corporation, partnership, joint venture, limited liability company, trust, limited partnership or other entity. Schedule 2.1 contains a listing of all names under which the Company has done business as well as the names of all predecessors of the Company, to be deemed to include the names of any entities from which the Company previously acquired significant assets.

2.2 Capitalization of the Company. The total authorized capital stock of the Company is 100 shares of Company Common Stock, of which 100 shares are issued and outstanding. Each issued and outstanding share of capital stock of the Company is duly and validly authorized and issued, fully paid and non-assessable, and was not issued in violation of the pre-emptive rights of any past or present shareholder. There are no outstanding convertible or exchangeable securities, shares of capital stock, subscriptions,

calls, options, warrants, rights or other agreements or commitments of any character relating to the issuance or sale of any shares of capital stock of, or other equity ownership interest in, the Company. The Company has no liability, contingent or otherwise, to any person or entity in connection with pre-emptive or contractual subscription rights or the offer, sale, purchase, surrender or cancellation of any shares of capital stock, warrants, options or other equity or voting interests or securities of the Company.

2.3 Stock Ownership. He owns, beneficially and of record, with full power to vote, the number of shares of Company Common Stock set forth beside his name on Schedule 2.3 and such shares are so held by him free and clear of all liens, encumbrances and adverse claims whatsoever.

2.4 Authority.

(i) The Company has full right, power, legal capacity and authority to execute, deliver and perform this Agreement and all documents and instruments referred to in this Agreement to be executed, delivered and performed by the Company (each a "Company Related Document") and to consummate the transactions contemplated hereby and thereby. This Agreement and all of the Company Related Documents, when duly executed and delivered by the Company, shall constitute legal, valid and binding obligations of the Company, enforceable against it in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity).

(ii) He has full right, power, legal capacity and authority to execute, deliver and perform this Agreement and all documents and instruments referred to in this Agreement to be executed, delivered and performed by him (each a "Shareholder Related Document") and to consummate the transactions contemplated hereby and thereby. This Agreement and all of the Shareholder Related Documents executed by him shall constitute his legal, valid and binding obligation, enforceable against him in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity).

2.5 Consents.

(i) Except as provided in Schedule 2.5, no approval, consent, order or action of or filing with any court, administrative agency, governmental authority or other third party is required for the execution, delivery or performance of this Agreement or any Company Related Document by the Company. The execution, delivery and performance by the Company of this Agreement and any Company Related Documents do not violate any (i) mortgage, indenture, contract, agreement, lease or commitment or other instrument of any kind to which the Company is a party or by which the Company or any of its assets or properties may be bound or affected, (ii) any law, rule or regulation applicable to the Company, or (iii) any court injunction, order or decree or any valid and enforceable order of any governmental agency in effect as of the date hereof having jurisdiction over the Company. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in, cause the accelerated vesting or delivery of, or increase the amount or value of any payment or benefit to any employee of the Company or any beneficiary under any Company Plan (as defined in Section 2.14).

(ii) Except as provided in Schedule 2.5, no approval, consent, order or action of or filing with any court, administrative agency, governmental authority or other third party is required for the execution, delivery or performance of this Agreement or any Shareholder Related Document by him. The execution, delivery and performance by him of this Agreement and any Shareholder Related Documents do not violate any (i) mortgage, indenture, contract, agreement, lease or commitment or other instrument of any kind to which he is a party or by which he or any of his assets or properties may be bound or affected, (ii) any law, rule or regulation applicable to him, or (iii) any court injunction, order or decree or any valid and enforceable order of any governmental agency in effect as of the date hereof having jurisdiction over him.

2.6 Defaults. Neither the Company nor any Company Plan is in default under or in violation of (i) any mortgage, indenture, charter or bylaw provision, provision of any Company Plan, contract, agreement, lease, commitment or other instrument of any kind to which the Company or any Company Plan is a party or by which the Company or any Company Plan or any of its properties or assets may be bound or affected, (ii) any law, rule or regulation applicable to the Company or any Company Plan, or (iii) any court injunction, order or decree, or any valid and enforceable order of any governmental agency in effect having jurisdiction over the Company or any Company Plan, which default or violation could adversely affect the ability of the Company to consummate the transactions contemplated hereby or will have a Company Material Adverse Effect.

2.7 Full Authority. The Company has full power, authority and legal right and has all licenses, permits, qualifications, and other documentation (including without limitation permits required under applicable Environmental Law (as defined below)) necessary to own or operate its businesses, properties and assets and to carry on its businesses as being conducted on the date hereof, except where the failure to obtain such licenses, permits, qualifications or other documentation cannot reasonably be expected to result in a Company Material Adverse Effect. Such businesses are now being conducted and such assets and properties are being owned and operated, and the Company Plans have been implemented and maintained, in compliance with all applicable laws, ordinances, rules and regulations of any governmental agency of the United States, any state or political subdivision thereof, or any foreign jurisdiction, all applicable court or administrative agency decrees, awards and orders and all such licenses, permits, qualifications and other documentation, except where the failure to comply will not have a Company Material Adverse Effect, and there is no existing condition or state of facts which would give rise to a violation thereof or a liability or default thereunder, except where a violation, liability or default will not have a Company Material Adverse Effect. The term "Environmental Law" means any law, rule, regulation, approval, decision, decree, ordinance, by-law having the force of law, or order of any federal, state or local executive, legislative, judicial, regulatory or administrative agency, board or authority, which relate to (i) noise; (ii) pollution or protection of the air, surface water, ground water, land or wildlife; (iii) solid, gaseous or liquid waste generation, treatment, storage, use, processing, disposal or transportation; (iv) exposure to hazardous or toxic substances; (v) the safety or health of employees or (vi) regulation of the manufacture, processing, distribution in commerce, use, or storage of chemical substances.

2.8 Financial Statements. The Shareholders have delivered to the Parent, and attached as Schedule 2.8 are copies of the following sets of financial statements of the Company: (i) Balance Sheet as of September 30, 1998 (the "Balance Sheet Date"), and (ii) Statements of Earnings and Retained Earnings for the fiscal year 1998. Such financial statements are collectively referred to herein as the "Company Financial Statements." Such financial statements, except as described in the notes thereto, have been prepared from the Company's records in accordance with GAAP on a consistent basis throughout the periods covered thereby. Such Balance Sheets present accurately and fairly in all material respects the financial condition of the Company as of the dates indicated thereon, and such Statements of Earnings and

Retained Earnings present accurately and fairly in all respects the results of the Company's operations for the periods indicated thereon.

2.9 Undisclosed Liabilities. Except as and to the extent specifically disclosed in Schedule 2.9, the Company Financial Statements or in any other Schedule, the Company has no liabilities or obligations of any nature (whether fixed, absolute, contingent, unasserted or otherwise). In the case of any liabilities which are not fixed, an estimate of the maximum amount which may be payable, where there is a reasonable basis for making such estimate, is set forth on Schedule 2.9 or in any other Schedule or in the Company Financial Statements where such amount is specifically and expressly disclosed as a liability of the Company.

2.10 Taxes. The Company has filed all requisite federal, state and other tax returns, information returns, declarations and reports for all fiscal periods ended on or before the Balance Sheet Date that the Company was required to file. All such tax returns were correct and complete in all respects. All taxes owed by the Company (whether or not revealed on any tax return) have been paid. Without limiting the generality of the foregoing, the Company has withheld and paid all taxes required to have been withheld or paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party. There are no claims (nor is there any matter pending which may result in a claim) against the Company for federal, state or local income, sales, use, franchise or other taxes for any period or periods prior to and including the Balance Sheet Date and no notice of any claim, whether pending or threatened, for taxes has been received or is expected to be received which would create a lien on the Company's assets or adversely affect the Company. The amounts shown as accruals for taxes on the Company Financial Statements as of the Balance Sheet Date are sufficient for the payment of all taxes of any kind or nature whatsoever for all fiscal periods ended on or before such date. Copies of the federal, state and local income tax returns and franchise tax returns of the Company (collectively, "Tax Returns") and statements of deficiencies assessed against or agreed to by the Company for its last three fiscal years have previously been provided to the Parent. The Company has not obtained any extensions of time in which to file any Tax Returns which have not yet been filed. The Company has not waived any statute of limitations with respect to federal, state, or local income, sales, use, franchise or other taxes or agreed to any extensions of time with respect to a tax assessment or deficiency, except for such waivers or extensions which, by their terms, have lapsed as of the date hereof.

2.11 Proprietary Rights. The Company has full and sufficient rights to use all trade names, brand names, trademarks, service marks and logos and to use and practice all systems (to be deemed to include without limitation "MIS Systems" as defined in Section 2.15), technology, proprietary information, know-how or patented ideas, designs or inventions (collectively "Proprietary Rights") necessary for the present operation of its businesses and the marketing, distribution, sale and use of the materials used and the products sold by the Company. None of the ownership, access to, use or practice of the Proprietary Rights by the Company infringes on the rights of any other party. All Proprietary Rights are valid and enforceable and will survive the Closing without any consent or action by any party thereto or any third party.

2.12 Title: Asset Condition. Except as set forth in Schedule 2.12, the Company owns outright, and has full legal and beneficial title to all of its assets free and clear of all liens, pledges, mortgages, security interests, conditional sales contracts and encumbrances, including without limitation good and marketable title to all of its real property interests, free and clear of any mortgages, security agreements, liens or encumbrances. All of the trucks, machinery and equipment of the Company are in good working order and condition, ordinary wear and tear excepted.

2.13 Accounts and Notes Receivable. Except as set forth on Schedule 2.13, all of the Company's accounts and notes receivable disclosed in Schedule 2.22 (xiii) are bona fide receivables, were acquired in the ordinary course of business, are good and collectible (subject to the Company's reserve for doubtful accounts, if any, set forth on the Balance Sheet dated as of the Balance Sheet Date), and are not subject to any defenses or rights of set-off.

2.14 Company Contracts: Company Plans.

(i) None of the Company's customers or suppliers under any Company Contracts (as defined below) have canceled or substantially reduced, or are currently attempting or, to the best knowledge of each Shareholder and the Company, threatening to cancel or substantially reduce service or products. The Company has complied with all commitments and obligations and is not in default under any such contracts and agreements, no notice of default has been received by the Company, and the Company is not aware of any material defaults by customers, suppliers and other parties to such contracts and agreements. The Company has never been a party to any governmental contract subject to price redetermination or renegotiation. A copy of each Company Contract is maintained at the office of the Company. The term "Company Contract" means each contract, lease, undertaking, commitment, mortgage, indenture, note, security agreement, license and other agreement of the Company in effect on the date hereof (a) involving the expenditure or receipt of more than \$10,000 over the term thereof, (b) containing provisions calling for the sale or purchase of raw materials, products or services at prices that vary from the market prices of such raw materials, products or services generally prevailing in customary third party markets, (c) which include "take or pay", "meet or release", "most favored nations" or similar pricing or delivery arrangements, (d) requiring the Company to indemnify or hold harmless any other person or entity, (e) evidencing any warranty obligation of the Company with respect to goods, services or products sold or leased by it, (other than warranties implied by law given in the ordinary course of business), (f) imposing on the Company any confidentiality, non-disclosure or non-compete obligation or containing any acceleration or termination provisions effective upon a change of control of the Company or a merger of the Company into another entity, (g) involving collective bargaining or agreements with any labor union or employee group, or (h) establishing or otherwise evidencing the Company's policies of insurance. With respect to each of the Company's policies of insurance, such insurance is currently in full force and effect, is adequate in character and amount and is placed with financially sound and reputable insurers unaffiliated with the Shareholders or the Company. No policy of the Company's insurance has ever been canceled, and the Company has never been denied coverage or experienced a substantial increase in premiums or a substantial reduction in coverage from one policy period to the next policy period

(ii) The Company has previously made available to the Parent true and complete copies of all Company Plans (as defined below). During the six year period ending the Balance sheet Date, none of the Company Plans has been either a defined benefit plan (as defined in Section 3(35) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) or a multiemployer pension plan (as defined in Section 3(37) of ERISA), and no Company Plan is or was during such six year period subject to Title IV of ERISA. Each Company Plan is in compliance with ERISA, the Code, and other applicable laws in all material respects, and each plan that is intended to qualify under Section 401(a) of the Code is so qualified and has been determined by the Internal Revenue Service to so qualify. Nothing has occurred and no condition exists with respect to any Company Plan that could subject the Company to a tax, penalty, fine, lien or other liability. All contribution obligations to the Company Plans due on or prior to the Closing Date have been satisfied. No amount paid or payable by the Company in connection with

the transactions contemplated by this Agreement either solely as a result thereof or as a result of such transactions in conjunction with any other events will be deemed an "excess parachute payment" within the meaning of Section 280G of the Code. No payments will be made by the Company pursuant to a Company Plan that would not be deductible by the Company under Section 162(m) of the Code. "Company Plan" is defined as obligations, contingent or otherwise, covering any of the Company's employees under any employment or consulting agreement or under any executive's or employee's compensation plan, agreement or arrangement, including, without limitation, any "employee welfare benefit plan" as defined in Section 3(1) of ERISA, "employee pension benefit plan" as defined in Section 3(2) of ERISA or any other pension, retirement, profit sharing, stock option, stock purchase, bonus, fringe benefit, incentive, vacation, savings plan, health, welfare or other employee or former employee benefit plan, program, policy or arrangement.

2.15 Year 2000 Compliance. The Company's management information systems, to be deemed to include without limitation all computer hardware and software utilized in the Company's business or operations (the Company's "MIS Systems"), will, as currently configured:

(i) function without interruption or human intervention with four digit year processing on all Date Data (as defined below), and will function without errors or interruptions relating to functions which may involve Date Data from more than one century or leap years, regardless of the date of processing or date of Date Data;

(ii) provide results from any operation accurately reflecting any Date Data used in the operation performed, with output in any form, except graphics, having four digit years;

(iii) accept two digit year Date Data only in a manner that resolves any ambiguities as to century in a defined manner; and

(iv) provide data interchange in the standard of CCYYMMDD.

For purposes of this Section 2.15, the term "Date Data" means any data, input or output which includes an indication of date. In the event of a system or component which does not comply with the foregoing, Schedule 2.15 contains a description of the cure required to bring the system and components in to compliance with the foregoing. The estimated costs for such cure have been accrued by the Company and are reflected on the Closing Date Balance Sheet.

2.16 Legal Actions. Except as described in Schedule 2.16, no legal action, suit, audit, investigation, unfair labor practice charge, complaint, claim, grievance, or proceeding by or before any court, arbitration panel, governmental authority or third party is pending or, to the best knowledge of the Company or any of the Shareholders, threatened, which involves or may involve the Company or its now or previously owned or operated assets, operations, properties or businesses.

2.17 Labor and Employee Relations.

(i) There are no collective bargaining agreements or other labor union contracts applicable to any employee of the Company, and, except as described in Schedule 2.17(i) no such agreement or contract has been requested by any employee or group of employees of the Company, nor has there been any discussion with respect thereto by management of the Company with any employees of the Company. Except as described in Schedule 2.17(i) the Company has not received

any written notification of any unfair labor practice charges or complaints pending before any agency having jurisdiction thereof nor are there any current union representation claims involving any of the employees of the Company. To the best of each Shareholder's and the Company's knowledge, there are no such threatened charges or claims.

(ii) Except as described in Schedule 2.17(ii), to the best of each Shareholder's and the Company's knowledge, there are no union organizing activities or proceedings involving, or any pending petitions for recognition of, a labor union or association as the exclusive bargaining agent for, or where the purpose is to organize, any group or groups of employees of Company. There is not currently pending against the Company any proceeding before the National Labor Relations Board, wherein any labor organization is seeking representation of any employees of Company.

(iii) There are no strikes, work stoppages, work slowdowns, or lockouts and not, to the best of each Shareholder's and the Company's knowledge, any threats thereof by or with respect to any of the employees of Company. Except as described in Schedule 2.17(iii), there have been no labor disputes, strikes, slowdowns, work stoppages, lockouts, or similar matters involving employees of Company at any time during the past 36 months.

(iv) Except as described in Schedule 2.17(iv), there are not pending any grievances filed by the employees of the Company within any collective bargaining unit or by representatives of employees within any collective bargaining unit. Further, there are no arbitration decisions, settlement agreements, injunctions, consent decrees, or conciliation agreements which affect the operations of the Company.

(v) There are (a) no charges of discrimination or lawsuits involving any alleged violation of any fair employment law, disabilities discrimination law, age discrimination law, wage payment law, or occupational safety and health law, (b) no pending litigation arising out of any employment relationship, or other employment-related law, whether federal, state or local, (c) no pending litigation arising out of any employment relationship, presently threatened or pending, by any applicant, employee or former employee of the Company or any representative of any such employee or former employee and (d) to the best of the each Shareholder's and the Company's knowledge, no threatened charge, notice, proceeding, or litigation related to the above. No charge or claim involving any of the facilities or employees of the Company is pending with respect to equal employment opportunity, age discrimination, occupational safety, disabilities discrimination, or any other form of alleged employment practice or unfair labor practice, and, to the best of each Shareholder's and the Company's knowledge, no charge or claim is threatened.

2.18 No Material Adverse Change. Except as specifically set forth on Schedule 2.18, since the Balance Sheet Date there has not been: (i) any change in the Company's Articles of Incorporation or Bylaws, (ii) any material adverse change of any nature whatsoever in the financial condition, assets, liabilities (contingent or otherwise), income, business or prospects of the Company; (iii) any damage, destruction or loss (whether or not covered by insurance) materially adversely affecting the properties or business of the Company; (iv) any change in the authorized capital of the Company or in its securities outstanding or any change in its ownership interests; (v) any declaration or payment of any dividend or distribution in respect of the capital stock or any direct or indirect redemption, purchase or other acquisition of any of the capital stock of the Company; (vi) any contract or commitment entered into by the Company or any incurrence by the Company or agreement by the Company to incur any liability or make any capital expenditures in excess of \$10,000, except in the normal course of business; (vii) any increase in the compensation, bonus, sales commissions or fee arrangement payable or to become payable by the

Company to any of its officers, directors, stockholders, employees, consultants or agents; (viii) any proposed law or regulation (the existence of which is known, or in the normal course of business should be known, to the Shareholders) or any event or condition of any character materially adversely affecting the business or future prospects of the Company; (ix) any creation, assumption or permitting to exist of any mortgage, pledge or other lien or encumbrance upon any assets or properties of the Company whether now owned or to be hereafter acquired; (x) any sale or transfer, or any agreement to sell or transfer, any assets, properties or rights of the Company to any person, including, without limitation, any Shareholder or any affiliate of any Shareholder; (xi) any cancellation, or agreement to cancel, any indebtedness or other obligation owing to the Company, including, without limitation, any indebtedness or obligation of a Shareholder or any affiliate of a Shareholder; (xii) any plan, agreement or arrangement granting any preferential rights to purchase or acquire any interest in any of the assets, properties or rights of the Company or requiring consent of any party to the transfer and assignment of any such assets, properties or rights; (xiii) any negotiation for the acquisition of any business or start-up of any new business; (xiv) any merger or consolidation or agreement to merge or consolidate with or into any other corporation (except the transactions contemplated by this Agreement); (xv) any waiver of any material rights or claims of the Company; (xvi) any breach, amendment or termination of any material contract, agreement, license, permit, permit application or other right to which the Company is a party; (xvii) any discharge, satisfaction, compromise or settlement of any claim, lien, charge or encumbrance or payment of any obligation or liability, contingent or otherwise, other than current liabilities as of the Balance Sheet Date, current liabilities incurred since the Balance Sheet Date in the ordinary course of business, and prepayments of obligations in accordance with normal and customary past practices; or (xviii) any transaction by the Company outside the ordinary course of its business.

2.19 Investment Company. The Company is not an "investment company" within the meaning of Section 368(a)(2)(F) of the Code, a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company", a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

2.20 Tax-Free Reorganization. With respect to the qualification of the Merger as a reorganization within the meaning of Section 368(a) of the Code:

(i) There is no plan or intention on the part of any Shareholder to sell, exchange or otherwise dispose of a number of shares of Parent Common Stock received in the Merger which would reduce the Shareholders' ownership of Parent Common Stock to a number of shares having a value, as of the Effective Time, of less than fifty percent of the value of all of the formerly outstanding capital stock of the Company as of the same date.

(ii) Immediately following the Merger, the Surviving Corporation will hold at least 90 percent of the fair market value of the Company's net assets and at least 70 percent of the fair market value of the Company's gross assets.

(iii) The liabilities of the Company assumed by the Surviving Corporation and the liabilities to which the assets of the Company are subject were incurred in the Company's ordinary course of business.

(iv) Except as provided in Sections 1.8.7 and 9.19 of the Agreement, if the Merger is effected, the Company and the Shareholders will each pay their respective expenses, if any,

incurred in connection with the Merger, and neither the Company nor the Shareholders will pay any Parent or Merger Sub expenses incurred in connection with the Merger.

(v) At the Effective Time, the Company will not have any outstanding warrants, options, convertible securities, or any other rights pursuant to which any person could acquire stock in the Company that, if exercised or converted, would affect the Parent's retention of control of the Surviving Corporation.

(vi) At the Effective Time, the fair market value of the assets of the Company will exceed the sum of its liabilities, plus the amount of liabilities, if any, to which its assets are subject.

(vii) The Company is not under the jurisdiction of a court in a case under Title 11 of the United States Code, or a receivership, foreclosure, or similar proceeding in a federal or state court.

(viii) The Company operates at least one significant historic business line, or owns at least a significant portion of its historic business assets, in each case within the meaning of Treas. Reg. Section 1.368-1(d).

2.21 Affiliate Relationships. Except as set forth on Schedule 2.21, neither the Shareholders nor any affiliate of any Shareholder, and no director, officer or employee of or consultant to the Company owns, directly or indirectly, in whole or in part, any property, assets or right, tangible or intangible, which is associated with any property, asset or right owned by the Company or which the Company is operating or using or the use of which is necessary for its business. Neither the Shareholders nor any director, officer, employee, agent or consultant of the Company has any relationships with any other corporation, partnership, firm, association or business organization, entity or enterprise which is a competitor, potential competitor, supplier or customer of the Company. The term "affiliate" means with respect to any person, any other person which directly or indirectly, by itself or through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with, such person. The term "control" means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

2.22 Other Disclosures. The following disclosures pertaining to the Company are set forth in Schedule 2.22:

(i) Schedule 2.22(i) is a list of the products of the Company, all product registrations used by the Company, and all toxicology studies and environmental studies of the Company;

(ii) Schedule 2.22(ii) is a list of the names, start dates and current annual wage rates of all salaried and hourly regular full-time and part-time employees of the Company as of the Closing Date, together with a summary of the bonuses, additional compensation and other like benefits, if any, paid or payable to each employee and the last date, if any, on which each employee received (a) a raise in annual salary or hourly wage or (b) a bonus;

(iii) Schedule 2.22(iii) includes the legal descriptions of all real property owned in fee or leased by the Company as lessee and a list of documents reflecting any other real property interests owned of record or beneficially or leased by the Company as lessee;

(iv) Schedule 2.22(iv) includes a list of assets owned by the Company as of the date hereof which have been capitalized and have an unamortized value of \$5,000 or more, including

without limitation vehicles and rolling stock, and a list of all leased equipment of the Company, including without limitation leased vehicles and rolling stock;

(v) Schedule 2.22(v) is a list of raw materials or other property located at any property owned or leased by the Company as lessee that has been consigned to the Company, or is otherwise owned by a third party;

(vi) Attached to and listed on Schedule 2.22(vi) is each policy of insurance maintained by the Company together with information on premiums, coverages, insurers, expiration dates and deductibles, and an accurate list of all insurance loss runs and workers' compensation claims received for the past three policy years;

(vii) Schedule 2.22(vii) is a list of each bank, brokerage firm, trust company or other financial institution in which the Company has an account and the identity of each such account, and each bank in which the Company has a safe deposit box, together with the names of all persons authorized to draw on any such account or have access to any such safe deposit box;

(viii) Schedule 2.22(viii) is a list and summary description of, and copies of, all governmental licenses and permits of the Company, including without limitation all short wave radio or other licenses issued to the Company by the Federal Communications Commission or utilized by the Company in its business or operations;

(ix) Schedule 2.22(ix) is a list of each debt, note, mortgage, security agreement, pledge agreement, guaranty, bond, letter of credit, lease or other instrument creating any debt or contingent obligation of the Company or a lien or claim on any of its assets (other than unsecured trade accounts payable incurred in the ordinary course of business);

(x) Schedule 2.22(x) is a list of all of the Company's Proprietary Rights and a description of all license fees and royalties (or the basis of calculation thereof) required to be paid now or in the future by the Company for the use and practice of its Proprietary Rights;

(xi) Schedule 2.22(xi) is a list of all powers of attorney presently in effect granted by the Company and all investments ("Investments") of the Company in any equity securities, partnership interests, indebtedness or other interests in any other corporation, or any person, partnership, joint venture, limited liability company, trust, limited partnership or other legal entity; and

(xii) Schedule 2.22(xii) is a list of all Company Plans and true and complete copies of any reports filed with any governmental agency with respect to a plan during the preceding three years.

(xiii) Schedule 2.22(xiii) is a list of all of the Company's accounts and notes receivable existing as of the Balance Sheet Date.

2.23 Brokers and Finders. Other than the Company's engagement of the Mid-Atlantic Companies, Ltd., neither the Company nor any of the Shareholders have employed any broker, finder or agent, or incurred any broker's fee or finder's fee or commission, with respect to the transactions referred to herein or contemplated hereby, nor has any of them dealt with anyone purporting to act in the capacity of a finder or broker with respect thereto.

2.24 Disclosure. No representation or warranty by the Shareholders in the Agreement, and no statement contained in any Schedule or any certificate delivered by the Company or the Shareholders to the Parent pursuant to the Agreement, contains or will contain any untrue statement of a material fact or omits or will omit any material fact necessary in order to make the statements herein or therein, in light of the circumstances under which they are or were made, not misleading.

2.25 Company Material Adverse Effect. The term "Company Material Adverse Effect" is defined as an adverse effect on the properties, assets, prospects, financial position, results of operations, long-term debt, other indebtedness, cash flows or contingent liabilities of the Company in an amount of \$50,000 or more.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE PARENT AND MERGER SUB

3.1 Representations and Warranties. The Parent hereby represents and warrants to the Shareholders and the Company as follows:

3.1.1 Organization. The Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas. The Parent is duly qualified or licensed as a foreign corporation authorized to do business in all states in which any of its assets or properties may be situated or where its business is conducted except where the failure to obtain such qualification or license would not have a Parent Material Adverse Effect (as defined below).

3.1.2 Capitalization of the Parent. As of the date of the Prospectus, the total authorized and issued capital stock of Parent is as set forth in the Prospectus. The outstanding shares of Parent Common Stock have been duly and validly issued and are fully paid and non-assessable.

3.1.3 Authority. The Parent has the requisite power and authority to execute, deliver and perform this Agreement and all documents and instruments referred to herein or contemplated hereby (the "Parent Related Documents") and to consummate the transactions contemplated herein and thereby. This Agreement has been duly executed and delivered by the Parent and constitutes, and all the Parent Related Documents, when executed and delivered by the Parent will constitute, legal, valid and binding obligations of the Parent, enforceable in accordance with their respective terms and conditions except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity).

3.1.4 Consents. Except as provided on Schedule 3.1.4, no approval, consent, order or action of or filing with any court, administrative agency, governmental authority or other third party is required for the execution, delivery or performance by the Parent of this Agreement or the Parent Related Documents or the consummation by the Parent of the transactions contemplated hereby. The execution, delivery and performance by Parent of this Agreement and any Parent Related Documents do not violate any mortgage, indenture, contract, agreement, lease or commitment or other instrument of any kind to which the Parent is a party or by which the Parent or the Parent's assets or properties may be bound or affected or any law, rule or regulation applicable to the Parent or any court injunction, order or decree or any valid and enforceable order of any governmental agency in effect as of the date hereof having jurisdiction over the Parent.

3.1.5 Defaults. The execution, delivery and performance of this Agreement and the Parent Related Documents and the consummation by the Parent of the transactions contemplated hereby and thereby will not result in a default under or in violation of (i) any mortgage, indenture, charter or bylaw provision, contract, agreement, lease, commitment or other instrument of any kind to which the Parent is a party or by which the Parent or any of its properties or assets may be bound or affected or (ii) any law, rule or regulation applicable to the Parent or any court injunction, order or decree, or any valid and enforceable order of any governmental agency in effect as of the date hereof having jurisdiction over the Parent, which default or violation prevents the Parent from consummating the transactions contemplated by this Agreement or is reasonably likely to have a Parent Material Adverse Effect.

3.1.6 Parent Common Stock. All shares of Parent Common Stock to be issued by Parent pursuant to the Merger, when issued in accordance with this Agreement, will be registered under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), will be listed for trading on the New York Stock Exchange and will be validly issued, fully paid and nonassessable and, subject to the requirements of Rules 144 and 145 promulgated pursuant to the Securities Act and the provisions of the Stock Transfer Restriction Agreement, will be freely tradeable without restrictions.

3.1.7 Investment Company. The Parent is not an "investment company" within the meaning of Section 368(a)(2)(F) of the Code, a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company," a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

3.1.8 Tax-Free Reorganization. With respect to the qualification of the Merger as a reorganization within the meaning of Section 368(a)(2)(D) of the Code:

(i) The Parent has no plan or intention to sell, exchange or otherwise dispose or liquidate the Surviving Corporation, to merge the Surviving Corporation with or into any other corporation, to sell or otherwise dispose of its Surviving Corporation Common Stock except for transfers of Surviving Corporation Common Stock to corporations of which the Parent has control (within the meaning of Section 368(c) of the Code) at the time of such transfer, or to cause the Surviving Corporation to sell or otherwise dispose of any of its assets or of any assets acquired in the Merger, except for dispositions made in the ordinary course of business or transfers of assets to a corporation of which the Surviving Corporation has control (within the meaning of Section 368(c) of the Code) at the time of such transfer.

(ii) The Parent has no plan or intention to cause the Surviving Corporation, after the Merger, to issue additional shares of its stock that would result in the Parent losing control of the Surviving Corporation within the meaning of Section 368(c) of the Code.

(iii) Following the Merger, the Surviving Corporation will continue the Company's historic business or use a significant portion of its historic business assets in a business.

(iv) Except as provided in Section 8.20 below, if the Merger is effected, the Parent and Merger Sub will each pay their respective expenses, if any, incurred in connection with the Merger.

(v) The Parent Common Stock that will be issued in connection with the Merger is voting stock within the meaning of Section 368(c) of the Code.

(vi) At the Effective Time, neither the Parent nor Merger Sub will have any outstanding warrants, options, convertible securities, or any other right pursuant to which any person could acquire stock in the Parent or Merger Sub which, if exercised or converted, would affect the Parent's acquisition or retention of control of the Surviving Corporation.

(vii) None of the Parent Common Stock received by the Shareholders as a part of the Final Merger Consideration will be separate consideration for, or allocable to, any employment agreement.

(viii) The Parent is not under the jurisdiction of a court in a case under Title 11 of the United States Code, or a receivership, foreclosure, or similar proceeding in a federal or state court.

3.1.9 Brokers and Finders. The Parent has not employed any broker, finder or agent, or incurred any broker's fee or commission, with respect to any transactions referred to herein or contemplated hereby and has not dealt with anyone purporting to act in the capacity of a finder or broker with respect thereto.

3.1.10 Disclosure. No representation or warranty by the Parent in this Agreement and no statement contained in any final prospectus delivered by the Parent to the Shareholders pursuant to this Agreement contains any untrue statement of a material fact or omits any material fact necessary in order to make the statements herein or therein, in light of the circumstances under which they are or were made, not misleading.

3.1.11 Parent Material Adverse Effect. The term "Parent Material Adverse Effect" shall mean an adverse effect on the properties, assets, financial position, results of operations, long-term debt, other indebtedness, cash flows or contingent liabilities of the Parent and its consolidated subsidiaries, taken as a whole, in an amount of \$250,000 or more.

3.2 Representations and Warranties Concerning the Merger Sub. The Parent and the Merger Sub, jointly and severally, hereby represent and warrant to the Shareholders and the Company as follows:

3.2.1 Organization and Standing. The Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

3.2.2 Capital Structure. The authorized capital stock of the Merger Sub consists of 5,000 shares of common stock, par value \$.01 per share, 1,000 of which are validly issued and outstanding, fully paid and nonassessable and are owned by the Parent free and clear of all liens, encumbrances and adverse claims.

3.2.3 Authority. The Merger Sub has the corporate power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. The

execution and delivery of this Agreement, the performance by the Merger Sub of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by its Board of Directors and the Parent as its sole shareholder, and, except for the corporate filings required by state law, no other corporate proceedings on the part of the Merger Sub are necessary to authorize this Agreement and the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by the Merger Sub and (assuming the due authorization, execution and delivery hereof by the Company) constitutes a valid and binding obligation of the Merger Sub enforceable against the Merger Sub in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity).

3.2.4 Consents. Except as provided on Schedule 3.1.4, no approval, consent, order or action of or filing with any court, administrative agency, governmental authority or other third party is required for the execution, delivery or performance by the Merger Sub of this Agreement or the Merger Sub Related Documents or the consummation by the Merger Sub of the transactions contemplated hereby. The execution, delivery and performance by Merger Sub of this Agreement and any Merger Sub Related Documents do not violate any mortgage, indenture, contract, agreement, lease or commitment or other instrument of any kind to which the Merger Sub is a party or by which the Merger Sub or the Merger Sub's assets or properties may be bound or affected or any law, rule or regulation applicable to the Merger Sub or any court injunction, order or decree or any valid and enforceable order of any governmental agency in effect as of the date hereof having jurisdiction over the Merger Sub.

SECTION 4. COVENANTS

4.1 Conduct of Business. From the date hereof through the Effective Time, the Shareholders will use their respective commercially reasonable best efforts to cause the Company to, and the Company shall, conduct its operations according to its ordinary and usual course of business to preserve substantially intact its business organization, keep available the services of its officers and employees, and maintain its present relationships with licensors, suppliers, distributors, customers and others having significant business relationships with the Company. The Shareholders shall cause representatives of the Company to confer with representatives of the Parent to keep it informed with respect to the general status of the on-going operations of the business of the Company. Without limiting the generality of the foregoing, and except as otherwise contemplated herein or consented to by the Parent in writing, from the date hereof through the Effective Time, the Company shall, and the Shareholders will use their respective commercially reasonable best efforts to cause the Company to:

(i) carry on its business in substantially the same manner as carried on prior to the date hereof and not introduce any material new method of management, operation or accounting, nor provide any new discounted services;

(ii) maintain its properties, facilities, equipment and other assets, including without limitation those held under leases, in good working order, condition and repair, ordinary wear and tear excepted;

(iii) perform all of its obligations under all debt and lease instruments and other agreements (including without limitation the Company Contracts) relating to or affecting its business, assets, properties, equipment and rights, and pay all vendors, suppliers, and other third parties (including without limitation mechanics and materialmen) as and when their bills are due (in accordance with past practice) and pay in full all payroll obligations when due;

(iv) keep in full force and effect its present insurance policies or other comparable insurance coverage;

(v) use its commercially reasonable best efforts to maintain and preserve its business organization intact, retain its present employees and maintain its relationship with suppliers, customers and others having business relations with the Company;

(vi) refrain from effecting any change in the capital structure of the Company; refrain from incurring any expenditures outside the normal course of business, including any capital expenditures in excess of \$10,000;

(vii) refrain from starting or acquiring any new businesses;

(viii) maintain its present salaries and commission levels for all officers, directors, employees or agents, except for the usual and customary merit increases for employees;

(ix) refrain from declaring or paying any bonuses, fees, extraordinary commissions or any other unusual distributions to any of the Shareholders or the Company's directors, management, sales agents, employees or other personnel;

(x) promptly notify the Parent of the receipt by it or any of the Shareholders of any notice or claim, written or oral, of (a) default or breach by the Company under, or of any termination (other than at the end of the stated term thereof) or cancellation, or threat of termination (other than at end of the stated term thereof) of cancellation, of any Company Contract, (b) any loss of, damage to or disposition of, any of the properties, assets or the products of the Company of a value of \$20,000 or more, singly or in the aggregate (other than the sale or use of inventories in the ordinary course of business), (c) any claim or litigation threatened or instituted, or any other material adverse event or occurrence involving or affecting the Company or any of its assets, properties, operations, businesses or employees to the extent such claim, litigation, event or occurrence would have a Company Material Adverse Effect, and (d) any proposal made by any third party received by the Company or of which any of the Shareholders obtain knowledge in respect of any sale or other disposition, direct or indirect, of the assets (other than the sale or use of inventories in the ordinary course of business), businesses or outstanding capital stock or other ownership or voting interests of the Company;

(xi) comply with and cause to be complied with all applicable laws, rules, regulations and orders of all federal, state and local governments or governmental agencies affecting or relating to the Company or its assets, properties, operations, businesses or employees except where the failure to comply will not have a Company Material Adverse Effect;

(xii) refrain from any sale, disposition, distribution or encumbrance of any of its properties or assets and refrain from entering into any agreement or commitment with respect to any such sale, disposition, distribution or encumbrance (other than the sale or use of inventories in the ordinary course of business);

(xiii) refrain from any purchase or redemption of any capital stock or other voting interest of the Company and refrain from issuing any capital stock;

(xiv) refrain from making any change in any accounting principle, classification, policy or practice;

(xv) refrain from effecting any amendment to the certificate or articles of incorporation or bylaws or other governing instruments of the Company;

(xvi) refrain from entering into or agreeing to enter into any merger or consolidation by the Company with or into, and refrain from acquiring all or substantially all of the assets, capital stock or business of, any person, corporation, partnership, association or other business organization or division of any thereof;

(xvii) maintain its present debt and lease agreements and instruments (except those that expire on their stated maturity or lease termination dates); refrain from entering into any amendment thereto or new debt or lease agreements or instruments; refrain from increasing any indebtedness for borrowed money (other than financing of vehicles and equipment in the ordinary course of business consistent with past practices) or issuing or selling any debt securities or letters of credit; and refrain from making any payments of any indebtedness or interest or other amounts thereon or with respect thereto (other than regularly scheduled principal and interest payments and payments of principal, interest and fees under revolving lines of credit);

(xviii) manage working capital in the ordinary course consistent with past practice and refrain from introducing any new method of management or operation, providing any new discounted services or products, discounting any receivables (other than in non-material amounts consistent with past practices) or taking any action to accelerate payment of any receivable prior to its due date; and

(xix) refrain from entering into any contract, lease, undertaking, commitment, mortgage, indenture, note, security agreement, license or other agreement (a) involving the receipt or expenditure of more than \$20,000 over the term thereof, (b) containing provisions calling for the sale or purchase of raw materials, products or services at prices that vary from the market prices of such raw materials, products or services generally prevailing in customary third-party markets, (c) which include "take or pay", "meet or release", "most favored nations" or similar pricing or delivery arrangements, (d) with any officer, director, shareholder or affiliate of the Company, (e) requiring the Company to indemnify or hold harmless any other person or entity, (f) evidencing any warranty obligation of the Company with respect to goods, services or products sold or leased by it (other than warranties given in the normal course of business containing substantially the same terms as those presently in effect), or (g) imposing on the Company any confidentiality, non-disclosure or non-compete obligation.

4.2 Elimination of Expense. Prior to Closing, the Shareholders will produce evidence to the satisfaction of the Parent and its lenders that the expenses of the Company as described on Exhibit 1 hereto have been eliminated as expenses of the Surviving Corporation as of and following the Closing Date.

4.3 Certain Payables and Receivables. On or prior to Closing, the Shareholders shall cause to be paid in full in cash all accounts receivable, notes receivable and advances payable by the Shareholders to the Company and the Company shall pay in full in cash all accounts payable, notes payable and advances payable by the Company to the Shareholders.

4.4 Confidentiality. Prior to the Effective Time, none of the Parent, the Merger Sub, the Company or the Shareholders will disclose the terms of this Agreement or the Merger to any person other than their respective directors, officers, agents, representatives, financial advisors or legal counsel, except as otherwise provided herein or unless required by law. The Company may make appropriate disclosures

of the general nature of the Merger to its employees, vendors and customers to protect the Company's goodwill and to facilitate the Closing. The Parent and the Merger Sub may disclose pertinent information regarding the Merger to its existing and prospective investors, lenders, or investment bankers or legal or financial advisors and may describe this Agreement and the transactions contemplated hereby in any registration statement filed by the Parent under the Securities Act and in reports filed by the Parent under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, and may file this Agreement as an exhibit to any filing thereof. The Parent may also make appropriate disclosures of the general nature of the Merger and the identity, nature and scope of the Company's operations to prospective acquisition candidates in connection with the Parent's efforts to effect additional acquisitions. Each party will have mutual approval rights with respect to written employee presentations concerning the prospective merger.

4.5 Tax Matters; Tax-Free Reorganization. The Shareholders shall prepare and file or cause to be prepared and filed all final short period tax returns for the Company for the period ending on the Closing Date. The Shareholders or their designated representative shall be allowed to participate in any audit of the Company's state or federal income tax returns for all periods ending with the Closing Date. If proposed audit adjustments in such audits do not have a Parent Material Adverse Effect on the Parent or its affiliates (such determination to be made in the event of a disagreement by a neutral national accounting firm selected by the parties), the Shareholders shall have the right at their cost and expense to control the settlement or contest of such proposed audit changes. Unless the other parties shall otherwise agree in writing, none of the Shareholders, the Parent, the Merger Sub, the Company or the Surviving Corporation shall knowingly take or fail to take any action, that would jeopardize the qualification of the Merger as a reorganization within the meaning of Section 368(a) of the Code.

4.6 Company Plans. The Company and the Shareholders shall cause the Company Plans in effect at the date of this Agreement to remain in effect except as otherwise contemplated by this Agreement or otherwise determined by the Parent after the Effective Time.

4.7 Discharge of Indebtedness. Within thirty (30) days after the Effective Time, the Parent shall cause the indebtedness of the Company referred to in Schedule 4.7 attached hereto ("Terminated Obligations") to be paid in full or refinanced on terms acceptable to the Parent. As soon as practicable after the Effective Time, the Parent shall cause the Shareholders to be released from those personal guarantees of the Company as set forth and described in Schedule 4.7.

4.8 HSR Act. The Parent, the Shareholders and the Company shall take all reasonable actions necessary to make all filings, if any, required under The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act") in connection with the transaction contemplated hereby and to obtain the termination or expiration of the waiting period thereunder.

4.9 Cooperation. The Shareholders and the Company will cooperate fully with the Parent and the Merger Sub as to arrangements for the consummation of the transactions contemplated hereby in an orderly fashion.

4.10 Filings, Etc. The Shareholders and the Company will make all filings which are required to be made by them to lawfully consummate the transactions contemplated hereby.

4.11 Access. The Shareholders and the Company will cooperate fully in permitting the Parent and the Parent's lenders, underwriters and placement agents and their respective representatives, advisers, consultants, appraisers, auditors, engineers and other experts to make a full investigation of the properties,

operations and financial condition of the Company and will afford the Parent and the Parent's lenders, underwriters and placement agents and their respective representatives, advisers, consultants, appraisers, auditors, engineers and other experts reasonable access to the offices, buildings, real properties, machinery and equipment, inventory and supplies, records, files, books of account, tax returns, agreements and commitments and personnel of the Company. Without limitation of the foregoing, the Shareholders and the Company shall provide the Parent with such reasonably available financial information (and schedules with respect thereto) with respect to the Company as the Parent may reasonably request and will cooperate with and assist representatives of the Parent in the preparation of such financial information (and any opinions or reports with respect thereto) with respect to the Company as the Parent may reasonably request.

4.12 Satisfaction of Conditions. The Company and the Shareholders shall (i) use their reasonable efforts to obtain, as soon as possible, all governmental approvals required to be obtained by the Company and make, as soon as possible, all filings with any governmental authority required on the part of the Company to consummate the transactions contemplated hereby, (ii) use their reasonable efforts to obtain, as soon as possible, all other consents to and approvals required to be obtained by the Company to consummate the transactions contemplated hereby, and (iii) otherwise use their reasonable efforts to satisfy the conditions set forth in Article 6 of the Agreement to the extent that such satisfaction is within their control; *provided, however*, that this Section 4.12 shall not be construed to limit the rights of the Company to terminate this Agreement as provided in Article 8 of the Agreement.

4.13 Exclusivity. Neither the Shareholders nor the Company shall (i) solicit, initiate, or encourage the submission of any proposal or offer from any person or entity relating to the acquisition or other transfer of any interest in or rights to the capital stock or other voting securities, or any substantial portion of the assets of the Company (including without limitation any acquisition structured as a merger, consolidation, or share exchange), (ii) participate in any negotiations or discussions regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person or entity in favor of any such transaction or (iii) effect any such transaction. The Shareholders will (and shall cause the Company to) promptly notify the Parent if any person or entity makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

SECTION 5. COVENANT NOT TO COMPETE: RELEASE

5.1 Covenant Not to Compete.

(i) (a) Stephen C. Pomeroy and Matthew A. DiGennaro. For the consideration specified in this Agreement and in recognition that the covenants by the Shareholders in this Section are a material inducement to the Parent to enter into and perform this Agreement, each of Stephen C. Pomeroy and Matthew A. DiGennaro agrees that, effective upon Closing, and without further action on the part of any party or other person, each of Stephen C. Pomeroy and Matthew A. DiGennaro severally covenants and agrees that for the period from the Closing Date to the later to occur of (a) the date which is five years after the Closing Date or (b) if applicable, the date which is two years following any termination of such Shareholder's employment with the Surviving Corporation or any of its affiliates, regardless of the reason for such termination, such Shareholder will not represent, engage in, carry on, or have a financial interest in, directly or indirectly, individually, as a member of a partnership or limited liability company, equity owner, shareholder (other than as a shareholder of less than one percent of the issued and outstanding stock of a publicly-held company whose gross assets exceed \$100 million), investor, owner, officer, director, trustee, manager, employee, agent, associate, consultant or contractor engage in any business which directly competes with any of the services or products produced, sold, conducted, developed, or in the process of development by the Company on the Closing Date (or, if clause (b) above is applicable, on the

date of termination of the Shareholder's employment), including without limitation any indoor air quality, heating, electrical, ventilation, air conditioning, temperature control, appliance, mechanical construction, piping, plumbing or sewer cleaning products or installation, replacement, repair or maintenance services within a 100-mile radius of the current headquarters of the Company.

(b) Ronald L. Pomeroy. For the consideration specified in this Agreement and in recognition that the covenants by the Shareholders in this Section are a material inducement to the Parent to enter into and perform this Agreement, Ronald L. Pomeroy agrees that, effective upon Closing, and without further action on the part of any party or other person, he covenants and agrees that for the period from the Closing Date to the later to occur of (a) the date which is one year after the Closing Date, (b) if applicable, the date which is two years following any termination, other than a termination described in (c) below, of such Shareholder's employment with the Surviving Corporation or any of its affiliates, or (c) if applicable, the date which is one year following (i) the Shareholder's termination of his employment for Employee Cause (as defined in the Employment Agreement) or (ii) the Company's or its affiliates' termination of the employment of the Shareholder without Cause (as defined in the Employment Agreement) Ronald L. Pomeroy will not represent, engage in, carry on, or have a financial interest in, directly or indirectly, individually, as a member of a partnership or limited liability company, equity owner, shareholder (other than as a shareholder of less than one percent of the issued and outstanding stock of a publicly-held company whose gross assets exceed \$100 million), investor, owner, officer, director, trustee, manager, employee, agent, associate, consultant or contractor engage in any business which directly competes with any of the services or products produced, sold, conducted, developed, or in the process of development by the Company on the Closing Date (or, if clause (b) or (c) above is applicable, on the date of termination of the Shareholder's employment), including without limitation any indoor air quality, heating, electrical, ventilation, air conditioning, temperature control, appliance, mechanical construction, piping, plumbing or sewer cleaning products or installation, replacement, repair or maintenance services within a 100-mile radius of the current headquarters of the Company.

(ii) The Shareholders agree that the limitations set forth herein on each Shareholder's rights to compete with the Parent and its affiliates as set forth in clause (i) are reasonable and necessary for the protection of Parent and its affiliates. In this regard, each Shareholder specifically agrees that the limitations as to period of time and geographic area, as well as all other restrictions on such Shareholder's activities specified herein, are reasonable and necessary for the protection of the Parent and its affiliates. Each Shareholder agrees that, in the event that the provisions of this Section should ever be deemed to exceed the scope of business, time or geographic limitations permitted by applicable law, such provisions shall be and are hereby reformed to the maximum scope of business, time or geographic limitations permitted by applicable law.

(iii) Each Shareholder agrees that the remedy at law for any breach by such Shareholder of this Section 5.1 will be inadequate and that the Parent shall be entitled to injunctive relief.

(iv) Any violation of the covenant not to compete described in this Article 5 shall extend the time period thereof for a period of time equal to the period of time during which such violation continues. In the event the Parent or any of its affiliates is required to seek relief from such violation in any court, board of arbitration or other tribunal, then the covenant shall be extended for a period of time equal to the pendency of such proceedings and any appeals thereof.

5.2 Release. Effective as of the Closing, the Shareholders do hereby (i) release, acquit and forever discharge the Company and the Surviving Corporation from any and all liabilities, obligations, claims, demands, actions or causes of action arising from or relating to any event, occurrence, act, omission

or condition occurring or existing on or prior to the Closing, including, without limitation, any claim for indemnity or contribution from the Company or the Surviving Corporation in connection with the obligations or liabilities of the Shareholders hereunder, except for salary and benefits payable to the Shareholders as employees in the ordinary course of business, claims of the Shareholders pursuant to Section 7.2.2 of this Agreement and except for Existing Claims of the Shareholders as employees which are not known, and which in the exercise of due diligence could not reasonably be expected to be known as of the date of this Agreement, to the extent, but only to the extent, that such Existing Claims are covered by insurance of the Company or the Surviving Corporation ; (ii) waive all breaches, defaults or violations of any agreement applicable to the Company Common Stock and agree that any and all such agreements are terminated as of the Closing, and (iii) waive any and all preemptive or other rights to acquire any shares of capital stock of the Company and release any and all claims arising in connection with any prior default, violation or failure to comply with or satisfy any such preemptive or other rights.

SECTION 6. CONDITIONS PRECEDENT; CLOSING DELIVERIES

6.1 Conditions Precedent to the Obligations of the Parent and Merger Sub. The obligations of the Parent and Merger Sub to effect the Merger contemplated by this Agreement are subject to the satisfaction of each of the following conditions, unless waived by the Parent in writing to the extent permitted by applicable law:

6.1.1 Accuracy of Representations and Warranties. The representations and warranties of the Shareholders and the Company contained in this Agreement and any closing certificate or document delivered to the Parent pursuant hereto shall be true and correct at and as of the Closing Date as though made at and as of that time, and the Shareholders and the Company shall each have delivered to the Parent and Merger Sub a certificate to that effect.

6.1.2 Performance of Covenants. The Shareholders and the Company shall have performed and complied with all covenants of this Agreement to be performed or complied with by them at or prior to the Closing Date, and the Shareholders and the Company shall each have delivered to the Parent and Merger Sub a certificate to that effect.

6.1.3 Legal Actions or Proceedings. No legal action or proceeding shall have been instituted after the date hereof against the Company or against the Parent or Merger Sub arising by reason of the acquisition of the Company pursuant to this Agreement, which is reasonably likely (i) to restrain, prohibit or invalidate the consummation of the transactions contemplated by this Agreement, (ii) to have a Company Material Adverse Effect or (iii) to have a Parent Material Adverse Effect after giving effect to the consummation of the transactions contemplated by this Agreement, and the Shareholders and the Company shall each have delivered to the Parent and Merger Sub a certificate to the effect none of the foregoing shall have occurred.

6.1.4 Approvals. The Company and the Shareholders shall have procured all of the consents, approvals and waivers of third parties or any regulatory body or authority, whether required contractually or by applicable law or otherwise necessary for the execution, delivery and performance of this Agreement (including the Company Related Documents and the Shareholder Related Documents) by the Company and the Shareholders prior to the Closing Date, and the Shareholders and the Company shall each have delivered to the Parent and Merger Sub a certificate to that effect.

6.1.5 Closing Deliveries. All documents required to be executed or delivered at Closing by the Shareholders pursuant to Section 6.3 of this Agreement shall have been so executed and delivered.

6.1.6 No Casualty, Loss or Damage. No casualty, loss or damage shall have occurred on or prior to the Effective Time to any of the properties or assets of the Company.

6.1.7 Licenses, etc. The Company shall have obtained all such licenses and permits as are legally required for the continued operation of the business after the Effective Time, except such licenses and permits, the absence of which will not have a Company Material Adverse Effect.

6.1.8 No Material Adverse Change. Since the Balance Sheet Date, there shall not have been any event that in the reasonable judgment of the Parent adversely affects the properties, assets, financial condition, results of operations, cash flows, businesses or prospects of the Company.

6.1.9 Certain Corporate Actions. All necessary director and shareholder resolutions, waivers and consents required to consummate the transactions contemplated hereunder shall have been executed and delivered.

6.1.10 HSR Act. All required filings, if any, under HSR Act with respect to the transactions contemplated hereby shall have been made and the waiting periods thereunder shall have been terminated or shall have expired.

6.1.11 Lenders. The Parent and the Merger Sub shall have obtained all requisite consents and approvals from its sources of financing to fund the cash portion of the Total Consideration.

6.2 Conditions Precedent to the Obligations of the Shareholders and the Company. The obligations of the Shareholders and the Company under this Agreement are subject to the satisfaction of each of the following conditions, unless waived by the Shareholders and the Company in writing to the extent permitted by applicable law:

6.2.1 Accuracy of Representations and Warranties. The representations and warranties of the Parent and Merger Sub contained in this Agreement or in any closing certificate or document delivered to the Shareholders or the Company pursuant hereto shall be true and correct on and as of the Closing Date as though made at and as of that date, and the Parent and Merger Sub shall have delivered to the Shareholders and the Company a certificate to that effect.

6.2.2 Performance of Covenants. The Parent and Merger Sub shall have performed and complied with all covenants of this Agreement to be performed or complied with by them at or prior to the Closing Date and the Parent and Merger Sub shall have delivered to the Shareholders and the Company a certificate to such effect.

6.2.3 Approvals. The Parent shall have procured all of the consents, approvals and waivers specified in Schedule 3.1.4 prior to the Closing Date, and the Parent shall have delivered to the Shareholders and the Company a certificate to that effect.

6.2.4 Closing Deliveries. All documents required to be executed or delivered at Closing by the Parent pursuant to Section 6.4 of this Agreement shall have been so executed and delivered.

6.2.5 HSR Act. All required filings, if any, under the HSR Act with respect to the transactions contemplated hereby shall have been made and the waiting periods thereunder shall have been terminated or shall have expired.

6.3 Deliveries by the Shareholders at the Closing. At the Closing, simultaneously with the deliveries by the Parent specified in Section 6.4 below, and in addition to any deliveries required to be made by the Shareholders and the Company pursuant to any other transaction document at the Closing, the Shareholders shall deliver or cause to be delivered to the Parent the following:

6.3.1 Closing Certificates. The Shareholders and the Company shall deliver the certificates required pursuant to Sections 6.1.1, 6.1.2, 6.1.3 and 6.1.4.

6.3.2 Stock Transfer Restriction Agreement. Each Shareholder shall execute and deliver a Stock Transfer Restriction Agreement to the Parent on the Closing Date effective as of the Effective Time, substantially in the form set forth in Exhibit 6.3.2.

6.3.3 Employment Agreements. Each of the Shareholders and certain other employees of the Company specified on Exhibit 6.3.3 shall execute and deliver an Employment Agreement (with the insertion of the appropriate Section 7(b) based on whether such Shareholder or any such employee is designated an "Executive or Key Employee" or "Manager" on Exhibit 6.3.3 and with the blanks appropriately completed as set forth in a confidential letter between the Company and the Parent) with the Company on the Closing Date, substantially in the form set forth in Exhibits 6.3.3A and 6.3.3B.

6.3.4 Lease Agreement. The Shareholders shall cause the owner of the property located at 3131 SW 13th Drive, Deerfield Beach, Florida to execute and deliver a lease agreement with the Surviving Corporation substantially in the form attached as Exhibit 6.3.4. (the "Lease").

6.3.5 Opinion of Counsel for the Shareholders and the Company. The Shareholders shall deliver the favorable opinion of White & Case LLP, counsel to the Shareholders and the Company, dated the Effective Time, substantially in the form and to the effect set forth in Exhibit 6.3.5 attached hereto.

6.3.6 Documents, Stock Certificates. The Shareholders shall execute and deliver the documents, certificates, opinions, instruments and agreements required to be executed and delivered by the Company or its officers or directors or the Shareholders at the Closing as contemplated hereby or as may be reasonably requested by the Parent and shall deliver or cause to be delivered the documents and evidence required under Article 4. Stock Certificates representing all of the outstanding Company Common Stock and properly executed and completed letters of transmittal shall be delivered by the Shareholders to the Parent.

The consummation of the Closing shall not be deemed to be a waiver by the Parent or the Surviving Corporation of any of their rights or remedies against the Company or any of the Shareholders for any breach of representation, warranty, covenant or agreement by the Company or any of the Shareholders without regard for any knowledge of or investigation made by or on behalf of the Parent or Merger Sub; *provided, however*, that if the Company shall disclose in writing to the Parent prior to the Closing Date a specified breach of a specifically identified representation, warranty, covenant or agreement of the Company or the Shareholders herein by the Company or any of the Shareholders, and requests a waiver thereof by the Parent, and the Parent shall waive any such specifically identified breach in writing prior to the Closing Date, the Parent and the Surviving Corporation, for themselves and for each Parent Indemnified Party (as defined below), shall be deemed to have waived their respective rights and remedies hereunder for, and the Shareholders shall have no liability with respect to, any such specifically identified breach, to the extent so identified by the Company and so waived by the Parent.

6.4 Deliveries by the Parent at the Closing. At the Closing, simultaneously with the deliveries by the Shareholders specified in Section 6.3 above, and in addition to any other deliveries to be made by the Parent and Merger Sub pursuant to any other transaction document at the Closing, the Parent shall deliver or cause to be delivered to the Shareholders the following:

6.4.1 Closing Certificates. The Parent and Merger Sub shall deliver the certificates required pursuant to Sections 6.2.1, 6.2.2 and 6.2.3.

6.4.2 Opinion of Counsel for the Parent and Merger Sub. The Parent shall deliver the favorable opinion of its legal counsel dated the Effective Time, substantially in the form and to the effect set forth in Exhibit 6.4.2.

6.4.3 Closing Merger Consideration. The Parent shall deliver the Total Consideration, less the Holdback, to the Shareholders by delivering the cash portion of the Total Consideration as well as evidence to the Shareholders of notification to the Parent's stock transfer agent with respect to issuance of certificates representing the Parent Common Stock applicable to the Converted Shares.

6.4.4 Other Agreements. The Parent shall have delivered the employment agreements and the Lease Agreement described in Section 6.3.3 of this Agreement.

The consummation of the Closing shall not be deemed to be a waiver by the Shareholders of any of the Shareholders' rights or remedies for breach of any representation, warranty, covenant or agreement by the Parent or Merger Sub without regard for any knowledge of or investigation with respect thereto made by or on behalf of any Shareholders; *provided, however*, that if the Parent shall disclose in writing to the Shareholders prior to the Closing a specified breach of a specifically identified representation, warranty, covenant or agreement of the Parent or Merger Sub contained herein by the Parent or Merger Sub, and requests a waiver thereof by the Company and the Shareholders, and the Company and the Shareholders shall waive any such specifically identified breach in writing prior to the Closing, the Company and the Shareholders, for themselves and their heirs, legal representatives, successors and assigns, shall be deemed to have waived their rights and remedies hereunder for, and the Parent and Merger Sub shall have no liability or obligation with respect to, any such specifically identified breach, to the extent so identified by the Parent and waived by the Company and the Shareholders.

SECTION 7. SURVIVAL; INDEMNIFICATIONS

7.1 Survival. The representations and warranties set forth in this Agreement and the other documents, instruments and agreements contemplated hereby shall survive after the date hereof to the extent provided herein. The representations and warranties of the Shareholders and the Company contained in Section 2.10 shall survive for a period of seven years after the Closing Date. The representations and warranties of the Shareholders and the Company contained in Sections 2.2, 2.3, 2.4, 2.5, 2.7, 2.11, 2.12, 2.19 and 2.20 shall survive for a period of five years after the Closing Date. The representations and warranties of the Shareholders and the Company contained in Sections 2.15 and 2.9 shall survive for a period of three years after the Closing Date. The representations and warranties of the Shareholders and the Company contained in Section 2.16 shall survive for a period of 2 years after the Closing Date. All other representations and warranties of the Shareholders and the Company herein and in the Shareholder Related Documents and the Company Related Documents shall survive for a period of 12 months after the Closing Date. The representations and warranties of the Parent contained in Sections 3.1.3 and 3.1.4 shall survive for the maximum period permitted by applicable law. All other representations and warranties of the Parent herein and in the Parent Related Documents shall survive for a period of 36 months after the

Closing Date. The periods of survival of the representations and warranties as stated above in this Section 7.1 are referred to herein as the "Survival Period." The liabilities of the parties under their respective representations and warranties shall expire as of the expiration of the applicable Survival Period and no claim for indemnification may be made with respect to any breach of any representation or warranty, the applicable Survival Period of which shall have expired, except to the extent that written notice of such breach shall have been given to the party against which such claim is asserted on or before the date of such expiration. The covenants and agreements of the parties herein and in other documents and instruments executed and delivered in connection with the closing of the transactions contemplated hereby shall survive for the maximum period permitted by law.

7.2 Indemnification.

7.2.1 Parent Indemnified Parties. Subject to the provisions of Sections 7.1 and 7.3 hereof, the Shareholders, jointly and severally with respect to representations and warranties regarding the Company as well as covenants of the Company and severally with respect to their individual representations and warranties, shall indemnify, save and hold harmless the Parent, the Surviving Corporation, the Merger Sub and any of their assignees (including lenders) and all of their respective officers, directors, employees, representatives, agents, advisors and consultants and all of their respective heirs, legal representatives, successors and assigns (collectively the "Parent Indemnified Parties") from and against any and all damages, liabilities, losses, loss of value (including without limitation adverse effects on cash flow or earnings), claims, deficiencies, penalties, interest, expenses, fines, assessments, charges and costs, including without limitation reasonable attorneys' fees and court costs (collectively "Losses") arising from, out of or in any manner connected with or based on:

- (i) the breach of any covenant of a Shareholder or the Company or the failure by any Shareholder or the Company to perform any obligation of such Shareholder or the Company contained herein or in any Company Related Document or Shareholder Related Document;
- (ii) any inaccuracy in or breach of any representation or warranty of any Shareholder contained herein or in any Shareholder Related Document;
- (iii) any inaccuracy in or breach of any representation or warranty of the Company contained herein or in any Company Related Document;
- (iv) indemnification payments made by the Company or the Surviving Corporation to the Company's present or former officers, directors, employees, agents, consultants, advisors or representatives in respect of actions taken or omitted to be taken prior to the Closing;
- (v) any act, omission, occurrence, event, condition or circumstance occurring or existing at any time on or before the Effective Time and involving or related to the assets, properties, business or operations now or previously owned or operated by the Company and not (a) disclosed with reasonable specificity in the Disclosure Schedule or (b) disclosed in the Company Financial Statements; or
- (vi) the engagement of the Mid-Atlantic Companies, Ltd. relating to the transactions contemplated by this Agreement.

7.2.2 Parent Indemnity. Subject to the provisions of Sections 7.1 and 7.3, the Parent shall indemnify, save and hold harmless the Shareholders and each Shareholder's heirs, legal

representatives, successors and assigns from and against all Losses arising from, out of or in any manner connected with or based on:

(i) any breach of any covenant of the Parent or the Merger Sub or the failure by the Parent or the Merger Sub to perform any of its obligations contained herein or in the Parent Related Documents;

(ii) any inaccuracy in or breach of any representation or warranty of the Parent or the Merger Sub contained herein or in the Parent Related Documents;

(iii) any failure by the Surviving Corporation to satisfy the Terminated Obligations pursuant to Section 4.7 of this Agreement; or

(iv) any act, omission, event, condition or circumstance occurring or existing at any time after (but not on or before) the Effective Time and involving or relating to the assets, properties, businesses or operations of the Company; *provided, however*, that this clause (iv) shall not apply to any Losses arising from, out of or in any manner connected with or based on any Losses for which any Parent Indemnified Party may be indemnified pursuant to Section 7.2.1(v) above or any Shareholder's acts or omissions after the Effective Time as an officer, director, or employee of the Parent, the Surviving Corporation or any other affiliate of the Parent.

The foregoing indemnities shall not limit or otherwise adversely affect the Parent Indemnified Parties' rights of indemnity for Losses under Section 7.2.1.

7.3 Limitations. No claim under Section 7.2.1 (i)-(v) may be made until the aggregate of all Losses for which claims for indemnification under such Section exceeds \$75,000 (the "Threshold"), but all Losses above \$10,000 may be recovered under such Section once the Threshold has been exceeded. The aggregate liability of the Shareholders under Sections 7.2.1(ii) and (iii) shall not exceed the Total Consideration. The aggregate liability of the Parent under Section 7.2.2(ii) shall not exceed the Total Consideration.

7.4 Procedures for Indemnification

7.4.1 Notice. The party (the "Indemnified Party") that may be entitled to indemnity hereunder shall give prompt notice to any party obligated to give indemnity hereunder (the "Indemnifying Party") of the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be sought under this Agreement. Any failure on the part of any Indemnified Party to give the notice described in this Section 7.4.1 shall relieve the Indemnifying Party of its obligations under this Article 7 only to the extent that such Indemnifying Party has been prejudiced by the lack of timely and adequate notice (except that the Indemnifying Party shall not be liable for any expenses incurred by the Indemnified Party during the period in which the Indemnified Party failed to give such notice). Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, promptly (and in any event within 10 days) after the Indemnified Party's receipt thereof, copies of all notices and documents (including without limitation court papers) received by the Indemnified Party relating to such claim, action, suit or proceeding.

7.4.2 Legal Defense. The Parent shall have the sole right to assume the defense or settlement of any third-party claim, suit, action or proceeding in respect of which indemnity may be sought under this Agreement, provided that the Shareholders shall at all times have the right, at the Shareholders' option, to participate fully therein. In the event the Parent does not proceed diligently to defend the third-

party claim, suit, action or proceeding within 10 days after receipt of written notice by the Shareholders of such third-party claim, suit, action or proceeding, the Shareholders shall have the right, but not the obligation, to undertake the defense of any such third-party claim, suit, action or proceeding.

7.4.3 Settlement. The Indemnifying Party shall not be required to indemnify the Indemnified Party with respect to any amounts paid in settlement of any third-party suit, action, proceeding or investigation entered into without the written consent of the Indemnifying Party; *provided, however*, that if the Indemnified Party is a Parent Indemnified Party, such third-party suit, action, proceeding or investigation may be settled without the consent of the Indemnifying Party on 10 days' prior written notice to the Indemnifying Party if such third-party suit, action, proceeding or investigation is then unreasonably interfering with the business or operations of the Company or the Surviving Corporation and the settlement is commercially reasonable under the circumstances; and *provided further*, that if the Indemnifying Party gives 10 days' prior written notice to the Indemnified Party of a settlement offer which the Indemnifying Party desires to accept and to pay all Losses with respect thereto ("Settlement Notice") and the Indemnified Party fails or refuses to consent to such settlement within 10 days after delivery of the Settlement Notice to the Indemnified Party, and such settlement otherwise complies with the provisions of this Section 7.4, the Indemnifying Party shall not be liable for Losses arising from such third-party suit, action, proceeding or investigation in excess of the amount proposed in such settlement offer. Notwithstanding the foregoing, no Indemnifying Party will consent to the entry of any judgment or enter into any settlement without the consent of the Indemnified Party, if such judgment or settlement imposes any obligation, liability or sanction upon the Indemnified Party other than the execution, delivery or approval thereof and customary releases of claims with respect to the subject matter thereof.

7.4.4 Cooperation. The parties shall cooperate in defending any such third-party suit, action, proceeding or investigation, and the defending party shall have reasonable access to the books, records, and personnel in the possession or control of the Indemnified Party that are pertinent to the defense. The Indemnified Party may join the Indemnifying Party in any suit, action, claim or proceeding brought by a third party, as to which any right of indemnity created by this Agreement would or might apply, for the purpose of enforcing any right of the indemnity granted to such Indemnified Party pursuant to this Agreement.

7.5 Subrogation. Each Indemnifying Party hereby waives for itself, himself or herself and its, his or her affiliates any rights to subrogation against any Indemnified Party or such Indemnified Party's insurers for Losses arising from any third-party claims for which the Indemnifying Party is liable or against which the Indemnifying Party indemnifies any Indemnifying Party and, if necessary, each Indemnifying Party shall obtain waivers of such subrogation from its, his or her insurers.

SECTION 8. TERMINATION

8.1 Grounds for Termination. This Agreement may be terminated at any time prior to the Closing Date:

8.1.1 Mutual Consent. By the written agreement of the Company and the Parent; or

8.1.2 Optional By the Company. By the Company by written notice to the Parent, if the Closing shall have failed to occur by 5:00 p.m. Houston, Texas time on December 15, 1998, but only if neither the Company nor any Shareholder has breached this Agreement or have failed to perform any of their respective obligations under this Agreement;

8.1.3 Optional By the Parent. By the Parent, by written notice to the Company, if the Closing shall have failed to occur by 5:00 p.m. Houston, Texas time on December 15, 1998, but only if neither the Parent nor Merger Sub has breached this Agreement or has failed to perform any of its obligations under this Agreement;

8.1.4 Breach By the Parent or Merger Sub. By the Company, by written notice to the Parent, if either the Parent or Merger Sub has breached this Agreement or failed to perform any of its obligations under this Agreement; or

8.1.5 Breach by the Company or the Shareholders. By the Parent, by written notice to the Company, if the Company or any Shareholder has breached this Agreement or has failed to perform any of their respective obligations under this Agreement.

8.2 Effect of Termination. If this Agreement is terminated as permitted under Section 8.1, such termination shall be without liability of any party to any other party, except that such termination shall be without prejudice to any and all remedies the parties may have against each other for breach of this Agreement.

SECTION 9. MISCELLANEOUS

9.1 Notice. Any notice, delivery or communication required or permitted to be given under this Agreement shall be in writing, and shall be mailed, postage prepaid, or delivered, to the addresses given below, or sent by telecopy to the telecopy numbers set forth below, as follows:

To the Company (prior to the Effective Time) or the Shareholders:

Stephen C. Pomeroy, Inc.
3131 SW 13th Drive
Deerfield Beach, Florida 33442
Telecopy: (954) 360-9879

With a copy to:

White & Case LLP
200 S. Biscayne Blvd., Suite 4900
Miami, Florida 33131
Attn: K. Lawrence Gragg
Telecopy: (305) 358-5744

To the Parent or Merger Sub or the Surviving Corporation:

Group Maintenance America Corp.
8 Greenway Plaza, Suite 1500
Houston, Texas 77046
Attn: President
Telecopy: (713) 626-4766

or other such address as shall be furnished in writing by any such party to the other parties, and such notice shall be effective and be deemed to have been given as of the date actually received.

To the extent any notice provision in any other agreement, instrument or document required to be executed or executed by the parties in connection with the transactions contemplated herein contains a notice provision which is different from the notice provision contained in this Section 8.1 with respect to matters arising under such other agreement, instrument or document, the notice provision in such other agreement, instrument or document shall control.

9.2 Further Documents. The Shareholders shall, at any time and from time to time after the date hereof, upon request by the Parent and without further consideration, execute and deliver such instruments or other documents and take such further action as may be reasonably required in order to perfect any other undertaking made by the Shareholders under this Agreement or any Shareholder Related Documents.

9.3 Assignability. The Shareholders shall not assign this Agreement in whole or in part without the prior written consent of the Parent, except by the operation of law. The Parent may assign its rights under this Agreement, the Company Related Documents and the Shareholder Related Documents without the consent of any Shareholders or the Company. After the Effective Time, the Surviving Corporation may assign its rights under this Agreement, the Company Related Documents and the Shareholder Related Documents without the consent of the Shareholders.

9.4 Exhibits and Schedules. The Exhibits and Schedules (and any appendices thereto) referred to in this Agreement are and shall be incorporated herein and made a part hereof.

9.5 Entire Agreement. This Agreement constitutes the full understanding of the parties, a complete allocation of risks between them and a complete and exclusive statement of the terms and conditions of their agreement relating to the subject matter hereof and supersedes any and all prior agreements, whether written or oral, that may exist between the parties with respect thereto. Except as otherwise specifically provided in this Agreement, no conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the terms or conditions of this Agreement shall be binding unless hereafter made in writing and signed by the party to be bound, and no modification shall be effected by the acknowledgment or acceptance of documents containing terms or conditions at variance with or in addition to those set forth in this Agreement. No waiver by any party with respect to any breach or default or of any right or remedy and no course of dealing shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver is expressed in writing signed by the party to be bound. Failure of a party to exercise any right shall not be deemed a waiver of such right or rights in the future.

9.6 Headings. Headings as to the contents of particular articles, sections, exhibits and schedules are for convenience of reference only and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular articles or sections to which they refer.

9.7 **CONTROLLING LAW.** THE VALIDITY, INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT AND ANY DISPUTE CONNECTED HEREWITH SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS EXCEPT TO THE EXTENT THE APPLICABLE CORPORATE LAW MANDATORILY APPLIES WITH RESPECT THERETO.

9.8 Public Announcements. After the execution and delivery of this Agreement by the Shareholders, the Shareholders shall make no press release, public announcement, or public confirmation or disclose any other information regarding this Agreement or the contents hereof.

9.9 No Third Party Beneficiaries. No person or entity not a party to this Agreement shall have rights under this Agreement as a third party beneficiary or otherwise.

9.10 Amendments and Waivers. This Agreement may be amended by the Parent, Merger Sub and the Company, by action taken by their Boards of Directors to the extent permitted by applicable law; *provided, however*, that no such amendment shall (i) alter or change any provision of this Agreement, the alteration or change of which must be adopted by the holders of capital stock of the Company under the certificate or articles of incorporation of the Company or the Applicable Corporate Law, or (ii) alter or change this Section 9.10, unless each such alteration or change is adopted by the holders of shares of capital stock of the Company as may be required by the certificate or articles of incorporation of the Company or applicable law. Prior to the Effective Time, all amendments to this Agreement must be by an instrument in writing signed on behalf of the Parent, Merger Sub, the Company and the Shareholders. After the Effective Time, all amendments to this Agreement must be by an instrument in writing signed on behalf of the Parent and the Shareholders. Any term or provision of this Agreement (other than the requirements for shareholder approvals) may be waived in writing at any time by the party which is entitled to the benefits thereof.

9.11 No Employee Rights. Nothing herein expressed or implied shall confer upon any employee of the Company or any other employee or legal representatives or beneficiaries of any thereof, any rights or remedies, of any nature or kind whatsoever under or by reason of this Agreement, or shall cause the employment status of any employee to be other than terminable at will.

9.12 Non-Recourse. No recourse for the payment of any amounts due hereunder or for any claim based on this Agreement or the transactions contemplated hereby or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Parent in this Agreement shall be had against any incorporator, organizer, promoter, shareholder, officer, director, employee or representative, past, present or future, of the Parent or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Agreement.

9.13 When Effective. This Agreement shall become effective only upon the execution and delivery of one or more counterparts of this Agreement by each of the Parent, Merger Sub, the Company and the Shareholders.

9.14 Takeover Statutes. If any "fair price," "moratorium," "control share acquisition" or other form of anti-takeover statute or regulation shall become applicable to the transactions contemplated by this Agreement, the Parent and the Company and their respective members of their Boards of Directors shall grant such approvals and take such actions as are necessary so that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated herein and otherwise act to eliminate or minimize the effects of such statute or regulation on the transactions contemplated herein.

9.15 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate and words of any gender shall include each other gender where appropriate.

9.16 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provisions shall be fully severable as if such invalid or

unenforceable provisions had never comprised a part of the Agreement; and the remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

9.17 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes and all such counterparts shall, collectively, constitute one agreement, but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

9.18 No Rule of Construction. All of the parties hereto have been represented by counsel in the negotiation and preparation of this Agreement; therefore, this Agreement shall be deemed to be drafted by each of the parties hereto, and no rule of construction will be invoked respecting the authorship of this Agreement.

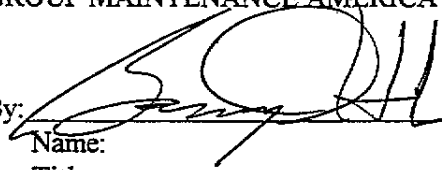
9.19 Expenses. Each of the parties shall bear all of their own expenses in connection with the negotiation and closing of this Agreement and the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered on the date first above written.

PARENT:

GROUP MAINTENANCE AMERICA CORP.

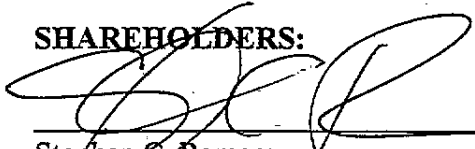
By: 
Name: _____
Title: _____

MERGER SUB:

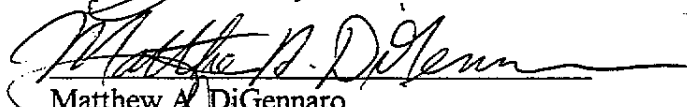
Pomeroy Acquisition Corp.

By: 
Name: _____
Title: _____

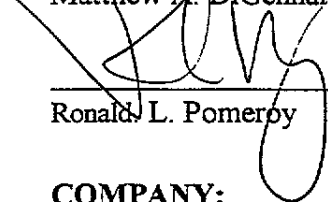
SHAREHOLDERS:



Stephen C. Pomeroy



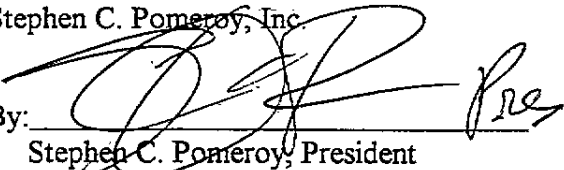
Matthew A. DiGennaro



Ronald L. Pomeroy

COMPANY:

Stephen C. Pomeroy, Inc.

By: 

Stephen C. Pomeroy, President

LIST OF EXHIBITS

Exhibit 1	Expenses to be Eliminated
Exhibit 1.5.1	Written Consent of the Shareholders of Stephen C. Pomeroy, Inc.
Exhibit 1.5.2	Written Consent of Sole Shareholder of Pomeroy Acquisition Corp.
Exhibit 1.7	Letter of Transmittal
Exhibit 6.3.2	Stock Transfer Restriction Agreement
Exhibit 6.3.3	List of Employees to Execute and Deliver an Employment Agreement
Exhibit 6.3.3A	Form of Employment Agreement for Executives
Exhibit 6.3.3B	Form of Employment Agreement for Management
Exhibit 6.3.4	Lease Agreement
Exhibit 6.3.5	Opinion of Counsel to the Shareholder and the Company
Exhibit 6.4.2	Opinion of Counsel to the Parent and Merger Sub

LIST OF DISCLOSURE SCHEDULES

Schedule 1.8.1	Distributions
Schedule 2.1	Organization
Schedule 2.3	Ownership of Company Common Stock
Schedule 2.5	Required Consents - Shareholders and Company
Schedule 2.8	Financial Statements
Schedule 2.9	Undisclosed Liabilities
Schedule 2.12	Title; Asset Condition
Schedule 2.16	Legal Actions
Schedule 2.17	Labor and Employee Relations
Schedule 2.18	Material Adverse Change
Schedule 2.21	Affiliate Relationship
Schedule 2.22	Other Disclosures
(i)	Company Products; Environmental Studies
(ii)	Employees
(iii)	Real Property
(iv)	Assets
(v)	Consignments
(vi)	Insurance
(vii)	Banks
(viii)	Licenses; Permits
(ix)	Debt
(x)	Proprietary Rights
(xi)	Investments
(xii)	Company Plans
(xiii)	Accounts Receivable
Schedule 3.1.4	Required Consents - Parent
Schedule 4.7	Terminated Obligations