

CT CORPORATION

641716

CORPORATION(S) NAME

Gee & Jenson Engineers-Architects-Planners, Inc.

merging: G & J Acquisition Corp.

2002 JAN 23 PM 12:00  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

FILED

<input type="checkbox"/> Profit	<input type="checkbox"/> Amendment	<input checked="" type="checkbox"/> Merger
<input type="checkbox"/> Nonprofit		
<input type="checkbox"/> Foreign	<input type="checkbox"/> Dissolution/Withdrawal	<input type="checkbox"/> Mark
	<input type="checkbox"/> Reinstatement	
<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Other
<input type="checkbox"/> LLC	<input type="checkbox"/> Name Registration	<input type="checkbox"/> Change of RA
	<input type="checkbox"/> Fictitious Name	<input type="checkbox"/> UCC
<input type="checkbox"/> Certified Copy	<input type="checkbox"/> Photocopies	<input type="checkbox"/> CUS
<input type="checkbox"/> Call When Ready	<input type="checkbox"/> Call If Problem	<input type="checkbox"/> After 4:30
<input checked="" type="checkbox"/> Walk In	<input type="checkbox"/> Will Wait	<input checked="" type="checkbox"/> Pick Up
<input type="checkbox"/> Mail Out		

02 JAN 23 AM 11:10  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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Order#: 5071634

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Ref#: \*\*\*\*\*70.00 \*\*\*\*\*70.00

Amount: \$ \_\_\_\_\_

660 East Jefferson Street  
Tallahassee, FL 32301  
Tel. 850 222 1092  
Fax 850 222 7615

G. Coalliste JAN 23 2002

ARTICLES OF MERGER  
Merger Sheet

MERGING: -----

G & J ACQUISITION CORP., a Florida corporation, P01000106206

INTO

**GEE & JENSON ENGINEERS-ARCHITECTS-PLANNERS, INC.**, a Florida  
entity, 641716.

File date: January 23, 2002

Corporate Specialist: Cheryl Coulliette

## ARTICLES OF MERGER

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

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

<u>Name</u>	<u>Jurisdiction</u>
GEE & JENSON ENGINEERS - ARCHITECTS - PLANNERS, INC.	Florida

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

<u>Name</u>	<u>Jurisdiction</u>
G & J ACQUISITION CORP.	Florida

**Third:** The Plan of Merger (without exhibits) is attached.

**Fourth:** The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

**Fifth:** Adoption of Merger by surviving corporation. The Plan of Merger was adopted by the shareholders of the surviving corporation on December 29, 2001.

**Sixth:** Adoption of Merger by merging corporation. The Plan of Merger was adopted by the shareholders of the merging corporation on December 28, 2001.

**Seventh:** Signature for each corporation.

GEE & JENSON ENGINEERS -  
ARCHITECTS - PLANNERS, INC.

Signature

Donald L. Goddeer, President  
Printed Name of Individual & Title

G & J ACQUISITION CORP.

Signature

Joseph A. Ahearn, President  
Printed Name of Individual & Title

FILED  
2002 JAN 23 11:12:00  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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## **AGREEMENT AND PLAN OF MERGER AND REORGANIZATION**

among:

**CH2M HILL, INC.,**  
a Florida corporation;

**G&J ACQUISITION CORP.,**  
a Florida corporation;

**GEE & JENSON ENGINEERS – ARCHITECTS – PLANNERS, INC.,**  
a Florida corporation;

and

**CERTAIN DESIGNATED SHAREHOLDERS OF**  
**GEE & JENSON ENGINEERS – ARCHITECTS – PLANNERS, INC.**

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Dated as of December 31, 2001

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**EXECUTION COPY**  
**Final 1/17/02**

**AGREEMENT AND PLAN  
OF MERGER AND REORGANIZATION**

**THIS AGREEMENT AND PLAN OF MERGER AND REORGANIZATION** ("Agreement") is executed to be effective as of December 31, 2001, by and among **CH2M HILL, INC.**, a Florida corporation ("CH2M HILL"); **G&J ACQUISITION CORP.**, a Florida corporation and a wholly-owned subsidiary of CH2M HILL ("Merger Sub"); **GEE & JENSON ENGINEERS – ARCHITECTS – PLANNERS, INC.**, a Florida corporation ("G&J"); and the parties identified on Exhibit A and signatories to this Agreement (the "Designated Shareholders"). Certain other capitalized terms used in this Agreement are defined in Exhibit B.

**RECITALS**

**A.** CH2M HILL, Merger Sub and G&J intend to effect a merger of Merger Sub into G&J in accordance with this Agreement and the Florida Business Corporation Act (the "Merger"). Upon consummation of the Merger, Merger Sub will cease to exist, and G&J will become a wholly-owned subsidiary of CH2M HILL.

**B.** The Merger has been approved by the respective boards of directors of CH2M HILL, Merger Sub and G&J.

**C.** The Designated Shareholders own a total of 221,864 shares of G&J Common Stock, constituting approximately 86.88% of the outstanding capital stock of G&J, which, after giving effect to the voting obligations under a shareholders agreement among all shareholders of the company, represents approximately 95.09% of the shareholder voting power of G&J.

**AGREEMENT**

The parties to this Agreement agree as follows:

**SECTION 1. DESCRIPTION OF TRANSACTION**

**1.1 Merger of Merger Sub into G&J.** Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (as defined in Section 1.3), Merger Sub shall be merged with and into G&J, and the separate existence of Merger Sub shall cease. G&J will continue as the surviving corporation in the Merger (the "Surviving Corporation").

**1.2 Effect of the Merger.** The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the Florida Business Corporation Act.

**1.3 Closing; Effective Time.** The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of CH2M HILL at 10:00 a.m. on December 15, 2001, or at such other time and date during the period from the date of this Agreement through January 15, 2002 as the parties may mutually agree (the "Scheduled Closing Time"). (The date on which the Closing actually takes place is referred to in this Agreement as the "Closing Date.") Contemporaneously with or as promptly as practicable after the Closing, properly executed articles of merger conforming to the requirements of Section 607.1109 of the Florida Business Corporation Act shall be filed with the Department of State of the State of Florida in the form attached hereto as Exhibit M. The Merger shall become effective at the time specified in the articles of merger filed with the Department of State of the State of Florida (the "Effective Time").

**1.4 Articles of Incorporation and Bylaws; Directors and Officers.** Unless otherwise determined by CH2M HILL and G&J prior to the Effective Time:

(a) the articles of incorporation of the Surviving Corporation shall be amended and restated as of the Effective Time to conform to Exhibit C;

(b) the bylaws of the Surviving Corporation shall be amended and restated as of the Effective Time to conform to the bylaws of Merger Sub as in effect immediately prior to the Effective Time; and

(c) the directors and officers of the Surviving Corporation immediately after the Effective Time shall be the individuals identified on Exhibit D.

G&J and the Designated Shareholders shall take such action prior to the Closing as may be necessary to effect the foregoing changes.

**1.5 Merger Consideration; Conversion.** The aggregate merger consideration payable to the shareholders of G&J shall be \$5,600,000 less (i) any amounts paid by G&J to Mass Mutual to obtain the written consent referred to Section 6.5 and (ii) any excess amounts referred in Section 10.3(b) (hereafter "Cash Consideration"). Cash Consideration is payable in installments as set forth in this Section 1.5 and with respect to the Designated Shareholders is subject to CH2M HILL's right of set off pursuant to Section 9.7. Subject to Sections 1.7 and 1.8, at the Effective Time, by virtue of the Merger and without any further action on the part of CH2M HILL, Merger Sub, G&J or any shareholder of G&J, each share of G&J Common Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive the Cash Consideration in accordance with the following:

(a) **Cash at Closing for Shareholders other than the Designated Shareholders.** At the Closing, each share of G&J Common Stock outstanding immediately prior to the Effective Time that is held by a shareholder of G&J other than the Designated Shareholders shall be converted into the right to receive cash in an amount determined by dividing Cash Consideration by the total number of shares of G&J Common Stock outstanding immediately prior to the Effective Time. The total amount due to G&J shareholders other than

the Designated Shareholders shall hereafter be referred to as "Non-Designated Shareholders Consideration";

(b) **Cash at Closing for the Designated Shareholders.** At the Closing, each share of G&J Common Stock outstanding immediately prior to the Effective time that is held by a Designated Shareholder shall be converted into the right to receive cash in an amount determined by dividing (i) Cash Consideration less (z) Non-Designated Shareholders Consideration and (y) \$1,000,000 payable to Designated Shareholders as part of 2<sup>nd</sup> and 3<sup>rd</sup> Installments (Section 1.5(c) and (d)) and (x) G&J share in the excess of cost of errors and omissions insurance premium referred in Section 7.5 by (ii) the number of shares of G&J Common Stock held by the Designated Shareholders immediately prior to the Effective Time;

(c) **2<sup>nd</sup> Installment.** On the third anniversary of the Closing Date, cash payable to each Designated Shareholder in an amount determined by multiplying (i) \$500,000 (plus simple interest on such amount at a rate of 5% per annum over the period from the Closing Date through the payment of such amount) by (ii) a fraction the numerator of which is the number of outstanding shares of G&J Common Stock owned by such Designated Shareholder immediately prior to the Effective Time and the denominator of which is the total number of outstanding shares of G&J Common Stock owned by all Designated Shareholders immediately prior to the Effective Time; *provided however* that such amounts payable to the Designated Shareholders under this Section 1.5(c) shall be subject to, and may be reduced as a result of, the right of setoff pursuant to Section 9.7(a) and 9.7(b); and

(d) **3<sup>rd</sup> Installment.** Also on the third anniversary of the Closing Date, cash payable to each Designated Shareholder in an amount determined by multiplying (i) \$500,000 (plus simple interest on such amount at a rate of 5% per annum over the period from the Closing Date through the payment of such amount) by (ii) a fraction the numerator of which is the number of outstanding shares of G&J Common Stock owned by such Designated Shareholder immediately prior to the Effective Time and the denominator of which is the total number of outstanding shares of G&J Common Stock owned by all Designated Shareholders immediately prior to the Effective Time; *provided however* that such amounts payable to the Designated Shareholders under this Section 1.5(d) shall be subject to, and may be reduced as a result of, the right of setoff pursuant to Section 9.7(b).

(e) **Option Grants.** On the Closing Date, CH2M HILL shall cause its parent, CH2M Hill Companies, Ltd. ("Parent"), to grant select key employees of G&J listed on Exhibit H options to purchase (in the aggregate) 50,000 shares of Parent's common stock. Such options will have an exercise price equal to the market price of Parent's common stock in effect on the Closing Date and will be subject to vesting as follows: twenty-five percent (25%) after twelve (12) months; twenty-five percent (25%) after twenty-four (24) months; and fifty percent (50%) after thirty-six months. Each key employee listed on Exhibit H shall, and G&J shall use its best efforts to cause them to execute and deliver to Parent an Option Agreement effective on the Closing Date substantially in the form of Exhibit I and along with such other documents Parent may reasonably request. Any individual option grants contemplated by this section 1.5(e) shall be contingent on the execution of the relevant Option Agreement.

**1.6 Closing of G&J's Transfer Books.** At the Effective Time, holders of certificates representing shares of G&J's capital stock that were outstanding immediately prior to the Effective Time shall cease to have any rights as shareholders of G&J, and the stock transfer books of G&J shall be closed with respect to all shares of such capital stock outstanding immediately prior to the Effective Time. No further transfer of any such shares of G&J's capital stock shall be made on such stock transfer books after the Effective Time. If, after the Effective Time, a valid certificate previously representing any of such shares of G&J's capital stock (a "G&J Stock Certificate") is presented to the Surviving Corporation or CH2M HILL, such G&J Stock Certificate shall be canceled and shall be exchanged as provided in Section 1.7.

**1.7 Delivery of Cash Consideration.**

(a) At the Closing, G&J shall, on behalf of all record holders of G&J's capital stock, deliver to CH2M HILL all G&J Stock Certificates for exchange, together with such other documents as may be reasonably required by CH2M HILL. The record holders of such G&J Stock Certificates shall be entitled to receive in exchange therefor the Cash Consideration, that such holder has the right to receive pursuant to the provisions of this Section 1, and the G&J Stock Certificates so surrendered shall be canceled. At the request of any holder entitled to receive more than \$250,000 under Section 1.5(a) or 1.5(b), such holder shall be paid by wire transfer. Until surrendered as contemplated by this Section 1.7, each G&J Stock Certificate shall be deemed, from and after the Effective Time, to represent only the right to receive upon such surrender the Cash Consideration contemplated by this Section 1. If any G&J Stock Certificate shall have been lost, stolen or destroyed, CH2M HILL may, in its discretion and as a condition precedent to the issuance of the Cash Consideration, require the owner of such lost, stolen or destroyed G&J Stock Certificate to provide an appropriate affidavit and to deliver a bond (in such sum as CH2M HILL may reasonably direct) as indemnity against any claim that may be made against CH2M HILL or the Surviving Corporation with respect to such G&J Stock Certificate.

(b) CH2M HILL and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any holder or former holder of capital stock of G&J pursuant to this Agreement such amounts as CH2M HILL or the Surviving Corporation may be required to deduct or withhold therefrom under the Code or under any provision of state, local or foreign tax law. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

(c) Neither CH2M HILL nor the Surviving Corporation shall be liable to any holder or former holder of capital stock of G&J for any part of the Cash Consideration delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

**1.8 Dissenting Shares.**

(a) Notwithstanding anything to the contrary contained in this Agreement, any shares of capital stock of G&J that, as of the Effective Time, are or may become shares as to which a shareholder dissents (the "dissenting shares") within the meaning of Sections 607.1301,

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607.1302 and 607.1320 of the Florida Business Corporation Act shall not be converted into or represent the right to receive Cash Consideration in accordance with Section 1.5, and the holder or holders of such shares shall be entitled only to such rights as may be granted to such holder or holders in Section 607.1320 of the Florida Business Corporation Act; *provided, however*, that if a shareholder fails to take steps necessary to perfect his or her right to dissent with respect to his or her shares under the provisions of Section 607.1320 of the Florida Business Corporation Act, or if such shareholder shall lose his or her right to dissent, whether by voluntarily withdrawal of a notice of election to dissent under the terms of Section 607.1320 of the Florida Business Corporation Act or otherwise, then, as of the later of the Effective Time or the time of the failure to perfect such status as a dissenting shareholder or the loss of such status as a dissenting shareholder, such shareholder's shares shall automatically be converted into and shall represent only the right to receive (upon the surrender of the certificate or certificates representing such shares) Cash Consideration in accordance with Section 1.5.

(b) G&J shall give CH2M HILL (i) prompt notice of any written demand received by G&J prior to the Effective Time to require G&J to purchase shares of capital stock of G&J pursuant to Section 607.1320 of the Florida Business Corporation Act and of any other demand, notice or instrument delivered to G&J prior to the Effective Time pursuant to the Florida Business Corporation Act, and (ii) the opportunity to participate in all negotiations and proceedings with respect to any such demand, notice or instrument. G&J shall not make any payment or settlement offer prior to the Effective Time with respect to any such demand unless CH2M HILL shall have consented in writing to such payment or settlement offer.

**1.9 Further Action.** If, at any time after the Effective Time, any further action is determined by CH2M HILL to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation or CH2M HILL with full right, title and possession of and to all rights and property of Merger Sub and G&J, the officers and directors of the Surviving Corporation and CH2M HILL shall be fully authorized (in the name of Merger Sub, in the name of G&J and otherwise) to take such action.

## **SECTION 2. REPRESENTATIONS AND WARRANTIES OF G&J AND DESIGNATED SHAREHOLDERS**

G&J and each of the Designated Shareholders jointly and severally represent and warrant, to and for the benefit of CH2M HILL, its current and future affiliates (including the Surviving Corporation), their employees, officers and directors, except the Designated Shareholders (collectively, "Indemnitees") as follows:

### **2.1 Due Organization; No Subsidiaries; Etc.**

(a) G&J is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has all necessary power and authority:

(i) to conduct its business in the manner in which its business is currently being conducted and in the manner in which its business is proposed to be conducted;

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(ii) to own and use its assets in the manner in which its assets are currently owned and used and in the manner in which its assets are proposed to be owned and used; and

(iii) to perform its obligations under all G&J Contracts.

(b) Except as set forth in Part 2.1(b) of the Disclosure Schedule, G&J has not in the last ten (10) years conducted any business under or otherwise used, for any purpose or in any jurisdiction, any fictitious name, assumed name, trade name or other name, other than the names "Gee & Jenson Engineers – Architects – Planners, Inc." and, prior thereto, "Gee & Jenson Inc."

(c) G&J is not required to be qualified to do business as a foreign corporation in any jurisdiction other than the jurisdictions identified in Part 2.1(c) of the Disclosure Schedule. G&J is in good standing as a foreign corporation in each of the jurisdictions identified in Part 2.1(c) of the Disclosure Schedule. G&J has not failed to be qualified to do business as a foreign corporation in any jurisdiction where the failure to be so qualified could have a material adverse effect on G&J.

(d) Part 2.1(d) of the Disclosure Schedule accurately sets forth (i) the names of the members of G&J's board of directors, (ii) the names of the members of each committee of G&J's board of directors, and (iii) the names and titles of G&J's officers.

(e) Neither G&J nor any of its shareholders in the last ten (10) years has approved, or commenced any proceeding or made any election contemplating, the dissolution or liquidation of G&J or the winding up or cessation of G&J's business or affairs.

(f) G&J has no subsidiaries, and G&J does not own, beneficially or otherwise, any shares or other securities of, or any direct or indirect interest of any nature in, any Entity.

## **2.2 Articles of Incorporation and Bylaws; Records.**

(a) G&J has made available to CH2M HILL accurate and complete copies of:

(i) G&J's articles of incorporation and bylaws, currently in effect, including all amendments thereto;

(ii) the current stock records of G&J; and

(iii) the minutes and other records of the meetings and other proceedings for the last ten (10) years (including any actions taken by written consent or otherwise without a meeting) of the shareholders of G&J, the board of directors of G&J and all committees of the board of directors of G&J.

In the last ten (10) years, there have been no meetings or other proceedings of the shareholders of G&J, the board of directors of G&J or any committee of the board of directors of G&J that are not fully reflected in such minutes or other records.

(b) For the last ten (10) years, there has not been any violation of any of the provisions of G&J's articles of incorporation or bylaws or, to the Knowledge of G&J or any Designated Shareholder, of any resolution adopted by G&J's shareholders, G&J's board of directors or any committee of G&J's board of directors; and no event has occurred, and no condition or circumstance exists, that might (with or without notice or lapse of time) constitute or result directly or indirectly in such a violation.

(c) The books of account, stock records, minute books and other records of G&J are accurate, up-to-date and complete, and have been maintained in accordance with sound and prudent business practices. G&J has in place an adequate system of internal controls appropriate to its business.

### **2.3 Capitalization, Etc.**

(a) The authorized capital stock of G&J consists solely of 1,000,000 shares of common stock, having a par value of \$0.10 per share, of which 255,264 shares (constituting all of G&J Common Stock) have been issued and are outstanding.

(b) All G&J's Stock Certificates are held for safekeeping by G&J and no record holder of G&J capital stock holds any certificate representing such interest. G&J's stock transfer books are accurate and complete in all respects and, as of the Effective Time, will be accurate and complete in all respects. Part 2.3(b) of the Disclosure Schedule sets forth an accurate list of the names and addresses of each of the holders of capital stock of G&J and the number of shares of G&J's capital stock owned, beneficially and of record, by each such holder, as reflected in G&J's stock transfer books.

(c) All of the shares of G&J Common Stock (i) have been duly authorized and validly issued, (ii) are fully paid and non-assessable, and (iii) have been issued in full compliance with all applicable securities laws and other applicable Legal Requirements.

(d) Except as set forth on Part 2.3(d) of the Disclosure Schedule, there is no:

(i) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any shares of the capital stock or other securities of G&J;

(ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of the capital stock or other securities of G&J;

(iii) Contract under which G&J is or may become obligated to sell or otherwise issue any shares of its capital stock or any other securities; or

(iv) condition or circumstance that may directly or indirectly give rise to or provide a basis for the assertion of a claim by any Person to the effect that such Person is entitled to acquire or receive any shares of capital stock or other securities of G&J.

(e) Except for the repurchases related to the McKune Note or Miller Note (each as reflected on the G&J Financial Statements) or as otherwise set forth in Part 2.3(e) of the Disclosure Schedule, G&J has not effected any repurchase, redemption or reacquisition of any shares of capital stock or other securities of G&J that has not been paid in full and all liabilities in connection therewith satisfied. All securities so reacquired by G&J were reacquired in full compliance with the applicable provisions of the Florida Business Corporation Act and with all other applicable Legal Requirements.

## **2.4 Financial Statements.**

(a) G&J has delivered to CH2M HILL the following financial statements and notes (collectively, the "G&J Financial Statements"):

(i) the reviewed balance sheet of G&J as of December 31, 1999, and the related reviewed consolidated statements of operations, changes in shareholders' equity and cash flows of G&J for the year then ended, together with the notes thereto and the standard review letter of Michaelson & Co., P.A. relating thereto;

(ii) the reviewed balance sheet of G&J as of December 31, 2000, and the related reviewed statements of operations, changes in shareholders' equity and cash flows of G&J for the year then ended, together with the notes thereto and the standard review letter of Schmidt, Raines, Trieste, Dickenson & Adams, P.L. relating thereto;

(iii) the unaudited balance sheet of G&J as of November 30, 2001 (the "Unaudited Interim Balance Sheet"), and the related unaudited statements of operations, changes in shareholders' equity and cash flows of G&J for the ten months then ended, together with the notes thereto, if any; and

(iv) the unaudited balance sheet of G&J as of each of August 31, 2001, September 30, 2001, and October 31, 2001 and the related unaudited statements of operations, changes in shareholders' equity and cash flows of G&J for the respective eight and nine months then ended, respectively, together with the notes thereto, if any.

(b) All of G&J Financial Statements are accurate and complete in all respects, and the dollar amount of each line item included in G&J Financial Statements is accurate in all respects. Except for certain interim Financial Statements otherwise identified and explained in Part 2.4(b) of the Disclosure Schedule, G&J Financial Statements have been prepared in accordance with GAAP and present fairly the financial position of G&J as of the respective dates thereof and the results of operations, changes in shareholders' equity and cash flows of G&J for the periods covered thereby, subject to normal year-end adjustments and lack of footnotes and other presentation items in the case of G&J Financial Statements referred to in Sections 2.4(a)(iii) and (iv).

(c) Part 2.4(c) of the Disclosure Schedule together with the business plan or similar materials delivered to CH2M HILL contain financial projections and other forward looking financial information, and the assumptions upon which such projections and other forward-looking financial information is based, are reasonable in all material respects as of Closing Date.

(d) Exhibit P to this Agreement contains G&J work in process (WIP) spreadsheet ("WIP Spreadsheet"), G&J accounts receivables (AR) spreadsheet ("AR Spreadsheet") both as of November 30, 2001, a letter from G&J Controller dated December 19, 2001 and a letter from G&J Controller dated January 2, 2002 ("Controller Letters") reflecting

(i) a forecast year-end billable and anticipated to be collectable WIP of \$2,000,000 ,

(ii) a year-end forecast of AR at \$3,290,000 ; and

(iii) reserves in the aggregate amount of \$1,030,000 including (A) bad debt reserve for AR and WIP of \$430,000 ("Bad Debt Reserve"); (B) legal reserve for anticipated legal and settlement for claims known or anticipated by G&J as of the Closing Date ("Claims-At-Closing"), not otherwise paid by the G&J errors and omissions insurance of \$400,000 ("Legal Reserve"); and (C) health insurance runoff reserve for anticipated health insurance claim cost (net of any stop loss insurance payments) to be paid out after cancellation of the current health insurance policy of \$200,000 ("Medical Reserve", and collectively with Legal Reserve and Bad Debt Reserve hereafter "Total Reserves").

For the purposes of the measurement of amounts due to CH2MHILL, if any, as set forth in Section 9.2(d) of this Agreement, the Designated Shareholders hereby represent and warrant that within twelve (12) months of Closing G&J will bill and collect \$2,000,000 of WIP reflected in the WIP Spreadsheet ("Warranted WIP") and that G&J will collect \$3,290,000 in AR reflected in the AR Spreadsheet ("Warranted AR"); and that the G&J legal and settlement costs, not otherwise paid by G&J errors and omissions insurance, in connection with Claims-At-Closing will not exceed \$400,000 and that the health insurance runoff payments (net of any stop loss insurance payments) will not exceed \$200,000.

**2.5 Absence of Changes.** Except as set forth in Part 2.5 of the Disclosure Schedule and interim Financial Statements delivered to CH2M HILL under Section 2.4, since July 31, 2001:

(a) there has not been any adverse change in G&J's business, condition, assets, liabilities, operations, financial performance, net income or, to the Knowledge of G&J or any Designated Shareholder, its prospects (or in any aspect or portion thereof) and, to the

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Knowledge of G&J or any Designated Shareholder, no event has occurred that might have an adverse effect on G&J's business, condition, assets, liabilities, operations, financial performance, net income or prospects (or on any aspect or portion thereof), except that no representation or warranty is given as to any effects on G&J's prospects or to events that relate to national or regional economic conditions generally or that affect firms generally that conduct the same business or a business similar to that of G&J;

(b) there has not been any material loss, damage or destruction to, or any interruption in the use of, any of G&J's assets (whether or not covered by insurance);

(c) G&J has not declared, accrued, set aside or paid any dividend or made any other distribution in respect of any shares of capital stock;

(d) G&J has not sold or otherwise issued any shares of capital stock or any other securities;

(e) G&J has not amended its articles of incorporation or bylaws and has not effected or been a party to any Acquisition Transaction, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction;

(f) G&J has not purchased or otherwise acquired any asset exceeding \$10,000 in amount from any other Person, except for assets acquired by G&J in the Ordinary Course of Business;

(g) G&J has not leased or licensed any asset from any other Person;

(h) G&J has not made any capital expenditure;

(i) G&J has not sold or otherwise transferred, and has not leased or licensed, any asset to any other Person;

(j) G&J has not written off as uncollectible, or established any extraordinary reserve with respect to, any account receivable or other indebtedness;

(k) G&J has not pledged or hypothecated any of its assets or otherwise permitted any of its assets to become subject to any Encumbrance;

(l) G&J has not made any loan or advance to any other Person other than advances of expenses to or on behalf of an employee or client in the Ordinary Course of Business;

(m) G&J has not (i) established or adopted any Employee Benefit Plan, or (ii) paid any bonus or made any profit-sharing or similar payment to, or increased the amount of the wages, salary, commissions, fringe benefits or other compensation or remuneration payable to, any of its directors, officers or employees, other than reasonable and customary compensation increases made in the Ordinary Course of Business in conjunction with periodic reviews to employees who are not directors, officers or managers of G&J;

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(n) G&J has not entered into, and neither G&J nor any of the assets owned or used by G&J has become bound by, any Extraordinary Contract;

(o) no Extraordinary Contract by which G&J or any of the assets owned or used by G&J is or was bound, or under which G&J has or had any rights or interest, has been amended or terminated;

(p) G&J has not incurred, assumed or otherwise become subject to any Liability, other than accounts payable (of the type required to be reflected as current liabilities in the "liabilities" column of a balance sheet prepared in accordance with GAAP) incurred by G&J in the Ordinary Course of Business;

(q) G&J has not discharged any Encumbrance or discharged or paid any indebtedness or other Liability, except for accounts payable and current liabilities reflected on the G&J Financial Statements that (i) are reflected as current liabilities in the "liabilities" column of the Unaudited Interim Balance Sheet or have been incurred by G&J since October 31, 2001 in the Ordinary Course of Business, and (ii) have been discharged or paid in the Ordinary Course of Business;

(r) G&J has not forgiven any debt or otherwise released or waived any right or claim;

(s) G&J has not changed any of its methods of accounting or accounting practices in any respect;

(t) G&J has not entered into any transaction or taken any other action outside the Ordinary Course of Business; and

(u) G&J has not agreed, committed or offered (in writing or otherwise), and has not attempted, to take any of the actions referred to in clauses "(c)" through "(t)" above.

## **2.6 Title to Assets.**

(a) G&J owns, and has good, valid and marketable title to, all assets purported to be owned by it, including:

(i) all assets reflected on the Unaudited Interim Balance Sheet;

(ii) all assets acquired by G&J since October 31, 2001;

(iii) all assets referred to in Parts 2.8, 2.10, 2.11 and 2.12 of the Disclosure Schedule and all of G&J's rights under G&J Contracts; and

(iv) all other assets reflected in G&J's books and records as being owned by G&J.

Except as set forth in Part 2.6 of the Disclosure Schedule, all of said assets are owned by G&J free and clear of any Encumbrances.

(b) Part 2.6(b) of the Disclosure Schedule identifies all assets that are being leased or licensed to G&J.

**2.7 Bank Accounts.** Part 2.7 of the Disclosure Schedule accurately sets forth, with respect to each account maintained by or for the benefit of G&J at any bank or other financial institution:

(a) the name and location of the institution at which such account is maintained;

(b) the name in which such account is maintained and the account number of such account;

(c) a description of such account and the purpose for which such account is used;

(d) the current balance in such account as of the most recent practicable date (such date also being set forth);

(e) the rate of interest being earned on the funds in such account; and

(f) the names of all individuals authorized to draw on or make withdrawals from such account.

Except as set forth on Part 2.7 of the Disclosure Schedule, there are no safe deposit boxes or similar arrangements maintained by or for the benefit of G&J.

**2.8 Receivables; Major Customers.**

(a) Part 2.8(a) of the Disclosure Schedule provides an accurate and complete breakdown and aging of all accounts receivable, notes receivable and other receivables of G&J as of August 31, September 30 and October 31, 2001.

(b) Except as set forth in Part 2.8(b) of the Disclosure Schedule, all existing accounts receivable of G&J (including those accounts receivable reflected on the Unaudited Interim Balance Sheet that have not yet been collected and those accounts receivable that have arisen since October 31, 2001 and have not yet been collected):

(i) represent valid obligations of customers of G&J arising from bona fide transactions entered into in the Ordinary Course of Business; and

(ii) are, to the Knowledge of G&J or any Designated Shareholder, will be collected (without any counterclaim or setoff) in full less any applicable Reserves.



(c) Part 2.8(c) of the Disclosure Schedule accurately identifies, and provides an accurate and complete breakdown of the revenues received from each Significant Client. Revenues from the Significant Clients in the aggregate constituted at least 50% of the gross revenues of G&J in each of 2000 and the ten months ended October 31, 2001. G&J has not received any notice or other communication (in writing or otherwise), and, to the Knowledge of G&J or any Designated Shareholder, has not received any other information, indicating that any Significant Client may cease dealing with G&J or may otherwise reduce the volume of business transacted by such Person with G&J below levels enjoyed over the last 3 years, to the extent applicable.

**2.9 Work in Progress.** Part 2.9 of the Disclosure Schedule provides an accurate and complete list and general description of all work in progress of G&J as of November 30, 2001 that is being performed under G&J Contracts. Except as disclosed on Part 2.9 of the Disclosure Schedule, all such work in progress is "percentage complete" on schedule in all material respects and, to the Knowledge of G&J or any Designated Shareholder, in compliance with the material terms of Extraordinary Contracts under which it is being performed. Part 2.9 of the Disclosure Schedule sets forth a list and description of all backlogged work as of November 30, 2001.

#### **2.10 Equipment, Etc.**

(a) Part 2.10(a) of the Disclosure Schedule accurately identifies all equipment, furniture, fixtures, improvements and other tangible assets owned by G&J, and accurately sets forth the date of acquisition, original cost and book value of each of said assets. Part 2.10(a) also accurately identifies all tangible assets leased to G&J.

(b) To the Knowledge of G&J or any Designated Shareholder, each asset identified or required to be identified in Part 2.10(a) of the Disclosure Schedule:

(i) is structurally sound, free of defects and deficiencies and in good condition and repair (ordinary wear and tear excepted);

(ii) complies in all respects with, and is being operated and otherwise used in full compliance with, all applicable Legal Requirements; and

(iii) is adequate for the uses to which it is being put.

The assets identified in Part 2.10(a) of the Disclosure Schedule are adequate for the conduct of G&J's business in the manner in which such business is currently being conducted and in the manner in which such business is proposed to be conducted.

#### **2.11 Real Property.**

(a) Part 2.11(a) of the Disclosure Schedule lists and describes briefly all real property owned by G&J. With respect to each such parcel of owned real property:

(i) to the Knowledge of G&J or any Designated Shareholder, the identified owner has good and marketable title to the parcel of real property, free and clear of any

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Encumbrance, easement, covenant, or other restriction, except as set forth on Part 2.11(a) of the Disclosure Schedule;

(ii) there are no pending or, to the Knowledge of G&J or any Designated Shareholder, threatened condemnation proceedings, lawsuits, or administrative actions relating to the property or other matters affecting adversely the current use, occupancy, or value thereof; and there are no notices or pending Legal Proceedings involving the reassessment of the value of the real property for purposes of any Tax that may be levied or imposed thereon by any Governmental Body;

(iii) to the Knowledge of G&J or any Designated Shareholder, the legal description for the parcel contained in the deed thereof describes such parcel fully and adequately, the buildings and improvements are located within the boundary lines of the described parcels of land, are not in violation of applicable setback requirements, zoning laws, and ordinances (and none of the properties or buildings or improvements thereon are subject to "permitted non-conforming use" or "permitted nonconforming structure" classifications), and do not encroach on any easement which may burden the land, and the land does not serve any adjoining property for any purpose inconsistent with the use of the land, and the property is not located within any flood plain or subject to any similar type restriction for which any permits or licenses necessary to the use thereof have not been obtained;

(iv) all facilities have received all approvals of governmental authorities (including licenses and permits) required in connection with the ownership or operation thereof and, to the Knowledge of G&J or any Designated Shareholder, have been operated and maintained in accordance with applicable laws, rules, and regulations;

(v) there are no leases, subleases, licenses, concessions, or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the parcel of real property;

(vi) there are no outstanding options or rights of first refusal to purchase the parcel of real property, or any portion thereof or interest therein;

(vii) there are no parties (other than G&J) in possession of the parcel of real property, other than tenants under any leases disclosed in Part 2.11(a) of the Disclosure Schedule who are in possession of space to which they are entitled;

(viii) to the Knowledge of G&J or any Designated Shareholder, all facilities located on the parcel of real property are supplied with utilities and other services necessary for the operation of such facilities, including electricity, water, telephone, sanitary sewer, and storm sewer, all of which services are adequate in accordance with all applicable laws, ordinances, rules, and regulations and are provided via public roads or via permanent, irrevocable, appurtenant easements benefiting the parcel of real property; and

(ix) each parcel of real property abuts on and has direct vehicular access to a public road, or has access to a public road via a permanent, irrevocable, appurtenant

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easement benefiting the parcel of real property, and access to the property is provided by paved public right-of-way with adequate curb cuts available.

(b) Part 2.11(b) of the Disclosure Schedule lists and describes briefly all real property leased or subleased to G&J. G&J has delivered to CH2M HILL correct and complete copies of the leases and subleases listed in Part 2.11(b) of the Disclosure Schedule (as amended to date). With respect to each lease and sublease listed in Part 2.11(b) of the Disclosure Schedule:

(i) the lease or sublease is legal, valid, binding, enforceable, and in full force and effect;

(ii) the lease or sublease will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the Transactions;

(iii) to the Knowledge of G&J or any Designated Shareholder, no party to the lease or sublease is in Breach or default, and no event has occurred which, with notice or lapse of time, would constitute a Breach or default or permit termination, modification, or acceleration thereunder;

(iv) no party to the lease or sublease has repudiated any provision thereof;

(v) to the knowledge of G&J or any Designated Shareholder, there are no disputes, oral agreements, or forbearance programs in effect as to the lease or sublease;

(vi) with respect to each sublease, the representations and warranties set forth in subsections (b)(i) through (b)(v) above are true and correct with respect to the underlying lease;

(vii) G&J has not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in the leasehold or subleasehold;

(viii) all facilities leased or subleased thereunder have received all approvals of governmental authorities (including licenses and permits) required in connection with the operation thereof and have, to the Knowledge of G&J or any Designated Shareholder, been operated and maintained in accordance with applicable laws, rules, and regulations; and

(ix) all facilities leased or subleased thereunder are supplied with utilities and other services necessary for the operation of said facilities.

(c) Part 2.11(c) of the Disclosure Schedule includes all mortgage and loan documents related to that certain mortgage of October 26, 1995 for G&J's property at One Harvard Circle, West Palm Beach, Florida, including: (i) Mortgage and Security Agreement dated as of October 26, 1995 as recorded October 31, 1995 in Official Records Book 8980, at page 1576 of the Public Records of Palm Beach County, Florida, (ii) Assignment of Leases and Rents dated as of

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October 26, 1995 as recorded October 31, 1995 in Official Records Book 8980, at Page 1603 of the Public Records of Palm Beach County, Florida, (iii) Agreement of Representations and Warranties dated as of October 26, 1995 given by G&J to Mass Mutual, (iv) Environmental Indemnity Agreement dated as of October 26, 1995 given by G&J to Mass Mutual (collectively hereafter "Mortgage Agreements") and (v) the Consent and Acknowledgement Agreement dated as of January 17, 2002, given by Mass Mutual by G&J (hereafter, "MM Consent Agreement"). G&J and the Designated Shareholders hereby represent and warrant that all representations and warranties contained in the MM Consent Agreement for the benefit of G&J and indirectly all representations and warranties contained in the Mortgage Agreements subject to noted exceptions remain true and correct on the date hereof.

## **2.12 Proprietary Assets.**

(a) To the extent not otherwise transferred to G&J's clients in the Ordinary Course of Business, Part 2.12(a) of the Disclosure Schedule sets forth, with respect to each Proprietary Asset owned by G&J and registered with any Governmental Body or for which an application has been filed with any Governmental Body, (i) a brief description of such Proprietary Asset, and (ii) the names of the jurisdictions covered by the applicable registration or application. Part 2.12(a) of the Disclosure Schedule identifies and provides a brief description of each Proprietary Asset owned by G&J that is material to the business of G&J. Part 2.12(a) of the Disclosure Schedule identifies and provides a brief description of, and identifies any ongoing royalty or payment obligations in excess of \$10,000 with respect to, each Proprietary Asset that is licensed or otherwise made available to G&J by any Person and is material to the business of G&J (except for any Proprietary Asset that is licensed to G&J under any third party software license generally available to the public), and identifies the Contract under which such Proprietary Asset is being licensed or otherwise made available to G&J. G&J has good and valid title to all of the Proprietary Assets identified or required to be identified in Part 2.12(a) of the Disclosure Schedule, free and clear of all Encumbrances, except for (i) any lien for current taxes not yet due and payable, and (ii) minor liens that have arisen in the ordinary course of business and that do not (individually or in the aggregate) materially detract from the value of the Proprietary Assets subject thereto or materially impair the operations of G&J. G&J has, to its Knowledge, a valid right to use, license and otherwise exploit all Proprietary Assets identified in Part 2.12(a) of the Disclosure Schedule. Except as set forth in Part 2.12(a) of the Disclosure Schedule, G&J has not developed jointly with any other Person any Proprietary Asset that is material to the business of G&J and with respect to which such other Person has any rights. Except as set forth in Part 2.12(a) of the Disclosure Schedule, there is no G&J Contract (with the exception of end user license agreements in the form previously delivered by G&J to CH2M HILL) pursuant to which any Person has any right (whether or not currently exercisable) to use, license or otherwise exploit any Proprietary Asset.

(b) G&J has taken reasonable measures and precautions to protect and maintain the confidentiality, secrecy and value of all material G&J Proprietary Assets (except G&J Proprietary Assets whose value would be unimpaired by disclosure). . Except as otherwise disclosed in Part 2.12(b) of the Disclosure Schedules, to the Knowledge of G&J or any Designated Shareholder, no current or former employee, officer, director, shareholder, consultant

or independent contractor has any right, claim or interest in or with respect to any G&J Proprietary Asset.

(c) To the Knowledge of G&J or any Designated Shareholder: (i) all patents, trademarks, service marks and copyrights held by G&J are valid, enforceable and subsisting; (ii) none of G&J Proprietary Assets and no Proprietary Asset that is currently being developed by G&J (either by itself or with any other Person) infringes, misappropriates or conflicts with any Proprietary Asset owned or used by any other Person; (iii) none of the products, systems, software, computer programs, source code, models, algorithms, formula, compounds, inventions, designs, technology, proprietary rights or intangible assets that is or has been designed, created, developed, assembled, manufactured or sold by G&J is infringing, misappropriating or making any unlawful or unauthorized use of any Proprietary Asset owned or used by any other Person, and none of such products has at any time infringed, misappropriated or made any unlawful or unauthorized use of any Proprietary Asset owned or used by any other Person; (iv) G&J has not received any notice or other communication (in writing or otherwise) of any actual, alleged, possible or potential infringement, misappropriation or unlawful or unauthorized use of, any Proprietary Asset owned or used by any other Person; and (v) no other Person is infringing, misappropriating or making any unlawful or unauthorized use of, and no Proprietary Asset owned or used by any other Person infringes or conflicts with, any material G&J Proprietary Asset.

(d) G&J Proprietary Assets constitute all the Proprietary Assets necessary, to the Knowledge of G&J or any Designated Shareholder, to enable G&J to conduct its business in the manner in which such business has been and is being conducted. G&J has not (i) licensed any of the material G&J Proprietary Assets to any Person on an exclusive basis, or (ii) entered into any covenant not to compete or Contract limiting or purporting to limit the ability of G&J to exploit fully any material G&J Proprietary Assets or to transact business in any market or geographical area or with any Person.

## **2.13 Contracts.**

(a) Part 2.13(a) of the Disclosure Schedule identifies each Extraordinary Contract. G&J has delivered to CH2M HILL accurate and complete copies of all Extraordinary Contracts, including all amendments thereto. In addition, Part 2.13(a) provides a complete copy of each standard form of agreement, if any, regularly used by G&J with clients or prospective clients of G&J.

(b) To the Knowledge of G&J or any Designated Shareholder, each Extraordinary Contract is valid and in full force and effect, and is enforceable by G&J in accordance with its terms. No Extraordinary Contract contains any term or provision that is not customarily found in contracts entered into by Comparable Entities. Except as set forth in Part 2.13(b) of the Disclosure Schedule, no Extraordinary Contract contains any change of control, assignment or similar provision that will or is reasonably likely to be breached by the Transactions.

(c) Except as set forth in Part 2.13(c) of the Disclosure Schedule:

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(i) to the Knowledge of G&J or any Designated Shareholder, no Person has violated or breached, or declared or committed any default under, any G&J Contract with respect to which a claim can be made;

(ii) to the Knowledge of G&J or any Designated Shareholder, no event has occurred, and no circumstance or condition exists, that might (with or without notice or lapse of time) (A) result in a material violation or Breach of any of the provisions of any Extraordinary Contract, (B) give any Person the right to declare a default or exercise any material remedy under any Extraordinary Contract, (C) give any Person the right to accelerate the maturity or performance of any Extraordinary Contract, or (D) give any Person the right to cancel, terminate or modify any Extraordinary Contract;

(iii) to the Knowledge of G&J or any Designated Shareholder, G&J has not received any notice or other communication (in writing or otherwise) regarding any actual, alleged, possible or potential violation or Breach of, or default under, any G&J Contract with respect to which a claim can be made;

(iv) where the counter party to any Extraordinary Contract is a Governmental Body, to the Knowledge of G&J or any Designated Shareholder, no unilateral action has been taken by any such Governmental Body with respect to any such Extraordinary Contract that is or may reasonably be expected to have an adverse effect on such Extraordinary Contract;

(v) G&J has not waived any of its rights under any Extraordinary Contract;

(vi) to the Knowledge of G&J or any Designated Shareholder, each Person against which G&J has or may acquire any rights under any Extraordinary Contract is solvent and is able to satisfy all of such Person's current and future monetary obligations and other obligations and Liabilities to G&J;

(vii) G&J is not a guarantor or has not otherwise agreed to cause, insure or become liable for, and G&J has not pledged any of its assets to secure, the performance or payment of any obligation or other Liability of any other Person; and

(viii) G&J is not a party to or bound by (A) any joint venture agreement, partnership agreement, profit-sharing agreement, cost-sharing agreement, loss-sharing agreement or similar Contract, or (B) any Contract that creates or grants to any Person, or provides for the creation or grant of, any stock appreciation right, phantom stock right or similar right or interest.

(d) The performance of Extraordinary Contracts by G&J or, to the Knowledge of G&J or any Designated Shareholder by any other party to an Extraordinary Contract, will not result in any violation of or failure to comply with any Legal Requirement.

(e) Except as otherwise disclosed in Part 2.13(e)(1) of the Disclosure Schedule, no Significant Client is renegotiating, or, except as otherwise disclosed in Part

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2.13(e)(2) of the Disclosure Schedule, to the Knowledge of G&J or any Designated Shareholder has the right to renegotiate downward, any amount paid or payable to G&J under any Extraordinary Contract or any other term or provision of any Extraordinary Contract.

(f) The Extraordinary Contracts identified in Part 2.13(a) of the Disclosure Schedule and the other Contracts to which G&J is party collectively constitute all of the Contracts necessary to enable G&J to conduct its business in the manner in which its business is currently being conducted and in the manner in which its business is proposed to be conducted.

(g) Part 2.13(g) of the Disclosure Schedule identifies and, to the extent an accurate and complete copy thereof has not been previously provided to CH2M HILL, provides an accurate and complete description of, each currently proposed Contract that upon execution would be an Extraordinary Contract as to which any bid, offer, written proposal, term sheet or similar document has been submitted or received by G&J.

#### **2.14 Liabilities; Major Suppliers.**

(a) Except as set forth on Part 2.14(a) of the Disclosure Schedules, G&J has no Liabilities (including without limitation and to the Knowledge of G&J or any Designated Shareholder, Liabilities resulting from the performance of professional services) except for:

(i) liabilities identified as such in the "liabilities" column of the Unaudited Interim Balance Sheet;

(ii) accounts payable (of the type required to be reflected as current liabilities in the "liabilities" column of a balance sheet prepared in accordance with GAAP) incurred by G&J in the Ordinary Course of Business since October 31, 2001; and

(iii) G&J's obligations under the Extraordinary Contracts, to the extent that the existence of such obligations is ascertainable solely by reference to such Extraordinary Contracts.

(b) Part 2.14(b) of the Disclosure Schedule:

(i) provides an accurate and complete breakdown and aging of G&J's accounts payable as of August 31, 2001, September 30, 2001 and October 31, 2001;

(ii) provides an accurate and complete breakdown of all customer or client deposits and other deposits held by G&J as of the date of this Agreement; and

(iii) provides an accurate and complete breakdown of G&J's long-term debt as of the date of this Agreement.

(c) Part 2.14(c) of the Disclosure Schedule accurately identifies, and provides an accurate and complete breakdown of the amounts paid to, each supplier or other Person that received (i) more than \$25,000 from G&J in 2000 or (ii) more than \$20,000 from G&J in the first nine months of 2001.

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## **2.15 Compliance With Legal Requirements.**

(a) Except as set forth in Part 2.15(a) of the Disclosure Schedule, in the last ten (10) years:

(i) to the Knowledge of G&J or any Designated Shareholder, G&J has been and is in full compliance with each Legal Requirement that is applicable to it or to the conduct of its business or the ownership or use of any of its assets, and the failure to comply with which could have materially adverse effect;

(ii) no event has occurred and no condition or circumstance exists, that might (with or without notice or lapse of time) constitute or result directly or indirectly in a violation by G&J of, or a failure on the part of G&J to comply with, any Legal Requirement and the failure to comply with which could have material adverse effect; and

(iii) G&J has not received any notice or other communication (in writing or otherwise) from any Governmental Body or any other Person regarding (i) any actual, alleged, possible or potential violation of, or failure to comply with, any Legal Requirement, or (ii) any actual, alleged, possible or potential obligation on the part of G&J to undertake, or to bear all or any portion of the cost of, any cleanup or any remedial, corrective or response action of any nature.

(b) G&J has delivered to CH2M HILL an accurate and complete copy of each report, study, survey or other document to which G&J has access that addresses or otherwise relates to the compliance of G&J with, or the applicability to G&J of, any Legal Requirement.

(c) To the Knowledge of G&J or any Designated Shareholder, no Governmental Body has proposed or is considering any Legal Requirement that, if adopted or otherwise put into effect, (i) may have an adverse effect on G&J's business, condition, assets, liabilities, operations, financial performance, net income or prospects or on the ability of G&J or any of the Designated Shareholders to comply with or perform any covenant or obligation under any of the Transactional Agreements, or (ii) may have the effect of preventing, delaying, making illegal or otherwise interfering with any of the Transactions; *provided that*, for purposes of this Section 2.15(c), the term Legal Requirement shall not be construed to apply to any action of any Governmental Body in its capacity as a contracting party with G&J.

## **2.16 Governmental Authorizations.**

(a) Part 2.16(a) of the Disclosure Schedule identifies:

(i) each Governmental Authorization that is held by G&J; and

(ii) each other Governmental Authorization that, to the Knowledge of G&J or any Designated Shareholder, is held by any of G&J's employees and relates to or is useful in connection with G&J's business.



G&J has delivered to CH2M HILL accurate and complete copies of all of the Governmental Authorizations identified in Part 2.16(a) of the Disclosure Schedule, including all renewals thereof and all amendments thereto, except for G&J's employee's individual licenses. Each Governmental Authorization identified or required to be identified in Part 2.16(a) of the Disclosure Schedule is valid and in full force and effect.

(b) Except as set forth in Part 2.16(b) of the Disclosure Schedule:

(i) to the Knowledge of G&J or any Designated Shareholder, G&J and its employees are in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Part 2.16(a) of the Disclosure Schedule;

(ii) to the Knowledge of G&J or any Designated Shareholder, no event has occurred, and no condition or circumstance exists, that might (with or without notice or lapse of time) (A) constitute or result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization identified or required to be identified in Part 2.16(a) of the Disclosure Schedule, or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, termination or modification of any Governmental Authorization identified or required to be identified in Part 2.16(a) of the Disclosure Schedule;

(iii) in the last ten (10) years, G&J has not received, and, to the Knowledge of G&J or any Designated Shareholder, no employee of G&J has received, any notice or other communication (in writing or otherwise) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible or potential violation of or failure to comply with any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination or modification of any Governmental Authorization; and

(iv) all applications required to have been filed for the renewal of the Governmental Authorizations required to be identified in Part 2.16(a) of the Disclosure Schedule have been duly filed on a timely basis with the appropriate Governmental Bodies, and each other notice or filing required to have been given or made with respect to such Governmental Authorizations has been duly given or made on a timely basis with the appropriate Governmental Body.

(c) The Governmental Authorizations identified in Part 2.16(a) of the Disclosure Schedule constitute all of the Governmental Authorizations necessary (i) to enable G&J to conduct its business in the manner in which its business is currently being conducted and in the manner in which its business is proposed to be conducted, and (ii) to permit G&J to own and use its assets in the manner in which they are currently owned and used and in the manner in which they are proposed to be owned and used.

## 2.17 Tax Matters.

(a) Each Tax required to have been paid, or claimed by any Governmental Body to be payable, by G&J (whether pursuant to any Tax Return or otherwise) has been duly paid in full or on a timely basis. Any Tax required to have been withheld or collected by G&J has been duly withheld and collected; and (to the extent required) each such Tax has been paid to the appropriate Governmental Body.

(b) Part 2.17(b) of the Disclosure Schedule accurately identifies all Tax Returns required to be filed by or on behalf of G&J with any Governmental Body with respect to any taxable period since December 31, 1994 ("G&J Returns"). Except as set forth on Part 2.17(b) of the Disclosure Schedule, all G&J Returns (i) have been or will be filed when due, and (ii) have been, or will be when filed, accurately and completely prepared in full compliance with all applicable Legal Requirements. All amounts shown on G&J Returns to be due on or before the Closing Date, and all amounts otherwise payable in connection with G&J Returns on or before the Closing Date, have been or will be paid on or before the Closing Date. G&J has delivered to CH2M HILL accurate and complete copies of all G&J Returns filed since December 31, 1994.

(c) **Except for the interim Financial Statements**, G&J Financial Statements fully accrue all actual and contingent liabilities for Taxes with respect to all periods through the dates thereof in accordance with GAAP. G&J will establish, in the Ordinary Course of Business, reserves adequate for the payment of all Taxes for the period from October 31, 2001 through the Closing Date, and G&J will disclose the dollar amount of such reserves to CH2M HILL on or prior to the Closing Date.

(d) Each G&J Return relating to income Taxes that has been filed with respect to any period ended on or prior to December 31, 1994 has either (i) been examined and audited by all relevant Governmental Bodies, or (ii) by virtue of the expiration of the limitation period under applicable Legal Requirements, is no longer subject to examination or audit by any Governmental Body. Part 2.17(d) of the Disclosure Schedule accurately identifies each examination or audit of any G&J Return that has been conducted since December 31, 1994. G&J has delivered to CH2M HILL accurate and complete copies of all audit reports and similar documents (to which G&J has access) relating to G&J Returns. Except as set forth in Part 2.17(d) of the Disclosure Schedule, no extension or waiver of the limitation period applicable to any of G&J Returns has been granted (by G&J or any other Person), and no such extension or waiver has been requested from G&J.

(e) Except as set forth in Part 2.17(e) of the Disclosure Schedule, no claim or other Proceeding is pending or has been threatened against or with respect to G&J in respect of any Tax. There are no unsatisfied Liabilities for Taxes (including Liabilities for interest, additions to tax and penalties thereon and related expenses) with respect to any notice of deficiency or similar document received by G&J. G&J has not entered into or has become bound by any agreement or consent pursuant to Section 341(f) of the Code. G&J has not been and will not be, required to include any adjustment in taxable income for any tax period (or portion thereof) pursuant to Section 481 or 263A of the Code or any comparable provision under

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state or foreign Tax laws as a result of transactions or events occurring, or accounting methods employed, prior to the Closing.

(f) There is no agreement, plan, arrangement or other Contract covering any employee or independent contractor or former employee or independent contractor of G&J that, individually or collectively, could give rise directly or indirectly to the payment of any amount that would not be deductible pursuant to Section 280G or Section 162 of the Code. G&J is not, and G&J has never been, a party to or bound by any tax indemnity agreement, tax sharing agreement, tax allocation agreement or similar Contract.

## **2.18 Employee and Labor Matters.**

(a) Part 2.18(a) of the Disclosure Schedule accurately sets forth, with respect to each employee of G&J (including any employee of G&J who is on a leave of absence or on layoff status):

(i) the name of such employee and the date as of which such employee was originally hired by G&J;

(ii) such employee's title, and a brief description of such employee's duties and responsibilities, unless obvious from the title;

(iii) the aggregate dollar amount of the compensation (including wages, salary, commissions, director's fees, fringe benefits, bonuses, profit-sharing payments and other payments or benefits of any type) received by such employee from G&J with respect to services performed in calendar year 2000;

(iv) such employee's annualized compensation as of the date of this Agreement;

(v) each Current Benefit Plan in which such employee participates or is eligible to participate; and

(vi) any Governmental Authorization that is held by such employee and that relates to or is useful in connection with G&J's business.

(b) Part 2.18(b) of the Disclosure Schedule accurately identifies each former employee of G&J who is receiving or is scheduled to receive (or whose spouse or other dependent is receiving or is scheduled to receive) any benefits (whether from G&J or otherwise) relating to such former employee's employment with G&J; and Part 2.18(b) of the Disclosure Schedule accurately describes such benefits.

(c) Except as set forth in Part 2.18(c) of the Disclosure Schedule, in the last ten (10) years G&J is not a party to or bound by, and G&J has never been a party to or bound by, any employment agreement or any union contract, collective bargaining agreement or similar Contract.

(d) Except as set forth in Part 2.18(d) of the Disclosure Schedule, the employment of each of G&J's current employees is terminable by G&J at will. G&J has delivered to CH2M HILL accurate and complete copies of all employee manuals and handbooks, disclosure materials, policy statements and other materials relating to the employment of the current and former employees of G&J.

(e) To the Knowledge of G&J or any Designated Shareholder, except as set forth on part 2.18 of the Disclosure Schedule:

(i) no employee of G&J intends to terminate his employment with G&J;

(ii) no employee of G&J has received an offer to join a business that may be competitive with G&J's business; and

(iii) no employee of G&J is a party to or is bound by any confidentiality agreement, noncompetition agreement or other Contract (with any Person) that may have an adverse effect on (A) the performance by such employee of any of his duties or responsibilities as an employee of G&J, or (B) G&J's business or operations.

(f) G&J is not engaged, and G&J has never been engaged, in any unfair labor practice of any nature. There has never been any slowdown, work stoppage, labor dispute or union organizing activity, or any similar activity or dispute, affecting G&J or any of their employees. There is not now pending, and no Person has threatened to commence, any such slowdown, work stoppage, labor dispute or union organizing activity or any similar activity or dispute. No event has occurred, and no condition or circumstance exists, that might directly or indirectly give rise to or provide a basis for the commencement of any such slowdown, work stoppage, labor dispute or union organizing activity or any similar activity or dispute.

## **2.19 Benefit Plans; ERISA.**

(a) Part 2.19(a) of the Disclosure Schedule identifies and provides an accurate and complete description of each Current Benefit Plan, each Past Benefit Plan, and any Benefit Arrangement of G&J. In the past ten (10) years, G&J has never established, adopted, maintained, sponsored, contributed to, participated in or incurred any Liability with respect to any Employee Benefit Plan or Benefit Arrangement, except for G&J Plans and Benefit Arrangements identified in Part 2.19(a) of the Disclosure Schedule; and G&J has never provided or made available any fringe benefit or other benefit of any nature to any of its employees, except as set forth in Part 2.19(a) of the Disclosure Schedule.

(b) In the past ten (10) years, no G&J Plan:

(i) provides or provided any benefit guaranteed by the Pension Benefit Guaranty Corporation;

(ii) is or was a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA; or

(iii) is or was subject to the minimum funding standards of Section 412 of the Code or Section 302 of ERISA.

There is no Person that (by reason of common control or otherwise) is or has at any time been treated together with G&J as a single employer within the meaning of Section 414 of the Code.

(c) G&J has delivered to CH2M HILL, with respect to each G&J Plan and Benefit Arrangement:

(i) an accurate and complete copy of such G&J Plan or Benefit Arrangement and all amendments thereto (including any amendment that is scheduled to take effect in the future);

(ii) an accurate and complete copy of each Contract (including any trust agreement, funding agreement, service provider agreement, insurance agreement, investment management agreement or recordkeeping agreement) relating to such G&J Plan or Benefit Arrangement;

(iii) an accurate and complete copy of any description, summary, notification, report or other document that has been furnished to any employee of G&J with respect to such G&J Plan or Benefit Arrangement;

(iv) an accurate and complete copy of any form, report, registration statement or other document that has been filed with or submitted to any Governmental Body with respect to such G&J Plan or Benefit Arrangement; and

(v) an accurate and complete copy of any determination letter, notice or other document that has been issued by, or that has been received by G&J from, any Governmental Body with respect to such G&J Plan or Benefit Arrangement.

(d) Each Current Benefit Plan and Benefit Arrangement is being operated and administered in full compliance with the provisions thereof, and each G&J Plan and Benefit Arrangement has at all times been operated and administered in full compliance with the provisions thereof. Each contribution or other payment that is required to have been accrued or made under or with respect to any G&J Plan or Benefit Arrangement has been duly accrued and made on a timely basis.

(e) Each Current Benefit Plan complies and is being operated and administered in full compliance with, and each G&J Plan has at all times complied and been operated and administered in full compliance with, all applicable reporting, disclosure and other requirements of ERISA and the Code and all other applicable Legal Requirements. G&J has never incurred any Liability to the Internal Revenue Service or any other Governmental Body with respect to any G&J Plan; and no event has occurred, and no condition or circumstance

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exists, that might (with or without notice or lapse of time) give rise directly or indirectly to any such Liability. Neither G&J nor any Person that is or was an administrator or fiduciary of any G&J Plan (or that acts or has acted as an agent of G&J or any such administrator or fiduciary), has engaged in any transaction or has otherwise acted or failed to act in a manner that has subjected or may subject G&J to any Liability for Breach of any fiduciary duty or any other duty. No G&J Plan, and no Person that is or was an administrator or fiduciary of any G&J Plan (or that acts or has acted as an agent of any such administrator or fiduciary):

(i) has engaged in a "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code;

(ii) has failed to perform any of the responsibilities or obligations imposed upon fiduciaries under Title I of ERISA; or

(iii) has taken any action that (A) may subject such G&J Plan or such Person to any Tax, penalty or Liability relating to any "prohibited transaction," or (B) may directly or indirectly give rise to or serve as a basis for the assertion (by any employee or by any other Person) of any claim under, on behalf of or with respect to such G&J Plan.

(f) No inaccurate or misleading representation, statement or other communication has been made or directed (in writing or otherwise) to any current or former employee of G&J (i) with respect to such employee's participation, eligibility for benefits, vesting, benefit accrual or coverage under any G&J Plan or Benefit Arrangement or with respect to any other matter relating to any G&J Plan or Benefit Arrangement, or (ii) with respect to any proposal or intention on the part of G&J to establish or sponsor any Employee Benefit Plan or Benefit Arrangement or to provide or make available any fringe benefit or other benefit of any nature.

(g) Except as set forth in Part 2.19(g) of the Disclosure Schedule, G&J has not advised any of its employees (in writing or otherwise) that it intends or expects to establish or sponsor any Employee Benefit Plan or Benefit Arrangement or to provide or make available any fringe benefit or other benefit of any nature in the future.

(h) Except as set forth in Part 2.19(h) of the Disclosure Schedule, there are no pending claims or lawsuits by, against, or relating to any Employee Benefit Plans or Benefit Arrangements that would, if successful, result in liability of G&J or the Shareholders, and no claims or lawsuits have been asserted, instituted or, to the Knowledge of G&J or any Designated Shareholder, threatened by, against, or relating to any G&J Employee Benefit Plan or G&J Benefit Arrangement, against the assets of any trust or other funding arrangement under any such G&J Plan or Benefit Arrangement, by or against G&J with respect to any G&J Employee Benefit Plan or Benefit Arrangement, or by or against the plan administrator or any fiduciary of any G&J Employee Benefit Plan or G&J Benefit Arrangement, and G&J does not have knowledge of any fact that could form the basis for any such claim or lawsuit. G&J Employee Benefit Plans and Benefit Arrangements are not presently under audit or examination (nor has notice been received of a potential audit or examination) by the IRS, the Department of Labor, or any other governmental agency or entity, and no matters are pending with respect to an Employee Benefit

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Plan under the IRS's Employee Plans Compliance Resolutions System program, its Closing Agreement Program, or other similar programs.

(i) G&J has classified all individuals (including but not limited to independent contractors and leased employees) appropriately under G&J Employee Benefit Plans and Benefit Arrangements; if any individuals have not been appropriately classified under any of G&J Employee Benefit Plans or Benefit Arrangements or if G&J's classification is later determined to be erroneous or is retroactively revised, such error in classification will not cause G&J, CH2M HILL, Merger Sub or the effected Employee Benefit Plans or Benefit Arrangements to incur any liability, loss or damage.

(j) No G&J Employee Benefit Plan or Benefit Arrangement of G&J contains any provision or is subject to any law that would prohibit the transactions contemplated by this Agreement or that would give rise to any vesting of benefits, severance, bonus, termination, or other payments or liabilities as a result of the transactions contemplated by this Agreement.

(k) Payment has been made of all amounts that G&J is required to pay as contributions to G&J Employee Benefit Plans or Benefit Arrangements as of the last day of the most recent fiscal year of each of the plans ended before the date of this Agreement; all benefits accrued under any unfunded G&J Employee Benefit Plan or G&J Benefit Arrangement will have been paid, accrued, or otherwise adequately reserved in accordance with GAAP as of the interim balance sheet date; and all monies withheld from employee paychecks with respect to such Plans or Benefit Arrangements have been transferred to the appropriate plan within thirty days of such withholding.

(l) G&J has not prepaid or pre-funded any Employee Benefit Plan through a trust, reserve, premium stabilization, or similar account, nor does it provide benefits through a voluntary employee beneficiary association as defined in Section 501(c)(9) of the Code.

(m) No employee or former employee of G&J or beneficiary of any such employee or former employee is, by reason of such employee's or former employee's employment, entitled to receive any benefits, including, without limitation, death or medical benefits (whether or not insured) beyond retirement or other termination of employment, other than (i) death or retirement benefits under a tax-qualified Employee Benefit Plan, (ii) deferred compensation benefits accrued as liabilities on G&J's financial statements or (iii) continuation coverage mandated under Section 4980B of the Code or other applicable law.

(n) Except as otherwise provided in Part 2.19(n) of the Disclosure Schedule, there are no contingent deferred sales charges ("CDSC's") or similar surrender fees, asset charges or other penalties that will become payable as a result of the termination of any G&J Employee Benefit Plan or G&J Benefit Arrangement or the merger of the assets of such Plans or Benefit Arrangements into a plan or benefit arrangement of CH2M HILL.

## **2.20 Environmental Matters.**

(a) To the Knowledge of G&J or any Designated Shareholder, G&J is not liable for any response cost or natural resource damages under Section 107(a) of CERCLA, or under any other so-called "superfund" or "superlien" law or similar Legal Requirement, at or with respect to any site.

(b) G&J has never received any notice or other communication (in writing or otherwise) from any Governmental Body or other Person regarding any actual, alleged, possible or potential Liability arising from or relating to the presence, generation, manufacture, production, transportation, importation, use, treatment, refinement, processing, handling, storage, discharge, release, emission or disposal of any Hazardous Material. No Person has ever commenced or, to the Knowledge of G&J or any Designated Shareholder, threatened to commence any contribution action or other Proceeding against G&J in connection with any such actual, alleged, possible or potential Liability and, to the Knowledge of G&J or any Designated Shareholder, no event has occurred, and no condition or circumstance exists, that may directly or indirectly give rise to, or result in G&J becoming subject to, any such Liability.

(c) Except as set forth in Part 2.20(c) of the Disclosure Schedule, G&J has never generated, manufactured, produced, transported, imported, used, treated, refined, processed, handled, stored, discharged, released or disposed of any Hazardous Material (whether lawfully or unlawfully). Except as set forth in Part 2.20(c) of the Disclosure Schedule, G&J has never permitted (knowingly or otherwise) any Hazardous Material to be generated, manufactured, produced, used, treated, refined, processed, handled, stored, discharged, released or disposed of (whether lawfully or unlawfully):

(i) on or beneath the surface of any real property that is, or that has at any time been, owned by, leased to, controlled by or used by G&J;

(ii) in or into any surface water, groundwater, soil or air associated with or adjacent to any such real property; or

(iii) in or into any well, pit, pond, lagoon, impoundment, ditch, landfill, building, structure, facility, improvement, installation, equipment, pipe, pipeline, vehicle or storage container that is or was located on or beneath the surface of any such real property or that is or has at any time been owned by, leased to, controlled by or used by G&J.

(d) All property that is owned by G&J, and all surface water, groundwater, soil and air associated with or adjacent to such property:

(i) is in clean and healthful condition;

(ii) is free of any Hazardous Material and any harmful chemical or physical conditions; and

(iii) is free of any environmental contamination of any nature.



(e) Each storage tank or other storage container that is or has been owned by, leased to, controlled by or used by G&J, or that is located on or beneath the surface of any real property owned by, leased to, controlled by or used by G&J:

(i) is in sound condition; and

(ii) has been demonstrated by accepted testing methodologies to be free of any corrosion or leaks.

## **2.21 Performance of Services.**

(a) To the Knowledge of G&J or any Designated Shareholder, each service that has been performed by G&J for the benefit of any customer, client or other Person:

(i) was performed by G&J personnel with that degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services; and

(ii) conformed and complied in all respects with the terms and requirements of any applicable warranty or other Contract and with all applicable Legal Requirements.

(b) G&J nor any Designated Shareholder is actually aware of any facts or information that would lead them to believe that G&J will incur or otherwise become subject to any Liability arising directly or indirectly from any services performed by G&J, on or at any time prior to the Closing Date.

(c) Except as set forth in Part 2.21(c) of the Disclosure Schedule and to the Knowledge of G&J or any Designated Shareholder, during the last ten (10) years, no customer, client or other Person has ever asserted or threatened to assert any claim against G&J (i) under or based upon any warranty provided by or on behalf of G&J, or (ii) under or based upon any other warranty relating to any services performed by G&J.

(d) G&J nor any Designated Shareholder are aware of any facts or information which after due inquiry would lead them to believe that an event has occurred, or a condition or circumstance exists, that might directly or indirectly give rise to or serve as a basis for the assertion of any Liability claim.

(e) G&J has in place, and G&J has at all times had in place, an adequate and appropriate quality control system that is at least as comprehensive and effective as the quality control systems customarily maintained by Comparable Entities.

## **2.22 Insurance.**

(a) Part 2.22(a) of the Disclosure Schedule accurately sets forth, with respect to each insurance policy maintained by or at the expense of, or for the direct or indirect benefit of, G&J:

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(i) the name of the insurance carrier that issued such policy, the policy number of such policy, and a copy of each policy;

(ii) whether such policy is a "claims made" or an "occurrences" policy;

(iii) a description of the coverage provided by such policy and the material terms and provisions of such policy;

(iv) the annual premium payable with respect to such policy, and the cash value (if any) of such policy; and

(v) a description of any claims pending, and any claims that have been asserted in the last ten (10) years, with respect to such policy.

Part 2.22(a) also identifies (1) each pending application for insurance that has been submitted by or on behalf of G&J, and (2) each self-insurance or risk-sharing arrangement affecting G&J or any of its assets. G&J has delivered to CH2M HILL accurate and complete copies of all of the insurance policies identified in Part 2.22(a) of the Disclosure Schedule (including all renewals thereof and endorsements thereto) and all of the pending applications identified in Part 2.22(a) of the Disclosure Schedule.

(b) Each of the policies identified in Part 2.22(a) of the Disclosure Schedule is valid, enforceable and in full force and effect. All of the information contained in the applications submitted in connection with said policies was (at the times said applications were submitted) accurate and complete, and all premiums and other amounts owing with respect to said policies have been paid on a timely basis.

(c) Except as set forth in Part 2.22(c) of the Disclosure Schedule, there is no pending claim under or based upon any of the policies identified in Part 2.22(a) of the Disclosure Schedule; and no event has occurred and, to the Knowledge of G&J or any Designated Shareholder, no condition or circumstance exists, that might (with or without notice or lapse of time) directly or indirectly give rise to or serve as a basis for any such claim.

(d) In the last ten (10) years, except as set forth in Part 2.22(d) of the Disclosure Schedule, G&J has not received:

(i) any notice or other communication (in writing or otherwise) regarding the actual or cancellation or invalidation of any of the policies identified in Part 2.22(a) of the Disclosure Schedule or regarding any actual adjustment in the amount of the premiums payable with respect to any of said policies;

(ii) any notice or other communication (in writing or otherwise) regarding any actual refusal of coverage under, or any actual rejection of any claim under, any of the policies identified in Part 2.22(a) of the Disclosure Schedule; or

(iii) any indication that the issuer of any of the policies identified in Part 2.22(a) of the Disclosure Schedule may be unwilling or unable to perform any of its obligations thereunder.

**2.23 Related Party Transactions.** Except for the McKune Note and Miller Note or as otherwise set forth in Part 2.23 of the Disclosure Schedule:

(a) no Related Party has, and no Related Party has at any time since December 31, 2000 had, any direct or indirect interest of any nature in any asset used in or otherwise relating to the business of G&J;

(b) except for advances of expenses made in the Ordinary Course of Business, no Related Party is, or has at any time since December 31, 2000 been, indebted to G&J;

(c) to the Knowledge of G&J or any Designated Shareholder, since December 31, 2000 no Related Party has entered into, or has had any direct or indirect financial interest in, any Contract, transaction or business dealing of any nature involving G&J;

(d) to the Knowledge of G&J or any Designated Shareholder, no Related Party is competing, or has at any time since December 31, 2000 competed, directly or indirectly, with G&J in any market served by G&J;

(e) to the Knowledge of G&J or any Designated Shareholder, no Related Party has any claim or right against G&J; and

(f) no event has occurred, and no condition or circumstance exists, that might (with or without notice or lapse of time) directly or indirectly give rise to or serve as a basis for any claim or right in favor of any Related Party against G&J.

**2.24 Certain Payments, Etc.** Except as otherwise disclosed in Part 2.24 of the Disclosures Schedules, to the Knowledge of G&J or any Designated Shareholder, neither G&J nor any officer, employee, agent or other Person associated with or acting for or on behalf of G&J, has at any time, directly or indirectly acted in a manner inconsistent with CH2M HILL Business Conduct Policy:

(a) used any corporate funds (i) to make any unlawful political contribution or gift or for any other unlawful purpose relating to any political activity, (ii) to make any unlawful payment to any governmental official or employee, or (iii) to establish or maintain any unlawful or unrecorded fund or account of any nature;

(b) made any false or fictitious entry, or failed to make any entry that should have been made, in any of the books of account or other records of G&J;

(c) made any payoff, influence payment, bribe, rebate, kickback or unlawful payment to any Person;

(d) performed any favor or given any gift which was not deductible for federal income tax purposes;

(e) made any payment (whether or not lawful) to any Person, or provided (whether lawfully or unlawfully) any favor or anything of value (whether in the form of property or services, or in any other form) to any Person, for the purpose of obtaining or paying for (i) favorable treatment in securing business, or (ii) any other special concession; or

(f) agreed, committed, offered or attempted to take any of the actions described in clauses "(a)" through "(e)" above.

## **2.25 Proceedings; Orders.**

(a) Except as set forth in Part 2.25(a) of the Disclosure Schedule, there is no pending Proceeding, and to the Knowledge of G&J or any Designated Shareholder, no Person has threatened to commence any Proceeding:

(i) that involves G&J or that otherwise relates to or might affect G&J's business or any of the assets owned or used by G&J (whether or not G&J is named as a party thereto); or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Transactions.

Except as set forth in Part 2.25(a) of the Disclosure Schedule, no event has occurred, and no claim, dispute or other condition or circumstance exists, that might directly or indirectly give rise to or serve as a basis for the commencement of any such Proceeding.

(b) Except as set forth in Part 2.25(b) of the Disclosure Schedule, no Proceeding has been commenced by or against G&J in the last ten (10) years; and no Proceeding otherwise involving or relating to G&J has been pending or threatened in the last ten (10) years.

(c) G&J has delivered to CH2M HILL accurate and complete copies of all currently pending pleadings, correspondence and, if specifically requested by CH2M HILL, other written materials to which G&J has access that relate to the Proceedings identified in Parts 2.25(b) of the Disclosure Schedule.

(d) Except as set forth in Part 2.25(d) of the Disclosure Schedule, there is no Order to which G&J, or any of the assets owned or used by G&J, is subject; and none of the Designated Shareholders is subject to any Order that relates to G&J's business or to any of the assets owned or used by G&J.

(e) To the Knowledge of G&J or any Designated Shareholder, no officer or employee of G&J is subject to any Order that prohibits such officer or employee from engaging in or continuing any conduct, activity or practice relating to G&J's business.

(f) To the Knowledge of G&J or any Designated Shareholders, there is no proposed Order that, if issued or otherwise put into effect, (i) may have an adverse effect on G&J's business, condition, assets, liabilities, operations, financial performance, net income or prospects (or on any aspect or portion thereof) or on the ability of G&J or any of the Designated Shareholders to comply with or perform any covenant or obligation under any of the Transactional Agreements, or (ii) may have the effect of preventing, delaying, making illegal or otherwise interfering with any of the Transactions.

## **2.26 Authority; Binding Nature of Agreements.**

(a) G&J has the absolute and unrestricted right, power and authority to enter into and to perform its obligations under this Agreement; and, except with respect to the approval of G&J's shareholders referenced in Section 5.2, the execution, delivery and performance by G&J of this Agreement have been duly authorized by all necessary action on the part of G&J and its board of directors. This Agreement constitutes the legal, valid and binding obligation of G&J, enforceable against G&J in accordance with its terms.

(b) Each Designated Shareholder has the absolute and unrestricted right, power and capacity to enter into and to perform such Designated Shareholder's obligations under each of the Transactional Agreements to which such Designated Shareholder is or may become a party. This Agreement constitutes the legal, valid and binding obligation of each of the Designated Shareholders, enforceable against each of the Designated Shareholders in accordance with its terms. Upon the execution of each of the other Transactional Agreements at the Closing, each of such other Transactional Agreements will constitute the legal, valid and binding obligation of each Designated Shareholder who is a party thereto, and will be enforceable against such Designated Shareholder in accordance with its terms.

(c) The Designated Shareholder Agent has the unrestricted right, power, authority and capacity to act for and bind each of the Designated Shareholders with respect to all matters relating to Section 9.

**2.27 Non-Contravention; Consents.** Except as set forth in Part 2.27 of the Disclosure Schedule, neither the execution nor delivery of any of the Transactional Agreements, nor the consummation or performance of any of the Transactions, will directly or indirectly (with or without notice or lapse of time):

(a) contravene, conflict with or result in a violation of (i) any of the provisions of G&J's articles of incorporation or bylaws, or (ii) any resolution adopted by G&J's shareholders, G&J's board of directors or any committee of G&J's board of directors;

(b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which G&J or any of the Designated Shareholders, or any of the assets owned or used by G&J, is subject;

(c) cause to become subject to, or to become liable for the payment of, any Tax;

(d) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by G&J or any of its employees or that otherwise relates to G&J's business or to any of the assets owned or used by G&J;

(e) contravene, conflict with or result in a violation or Breach of, or result in a default under, any provision of any Extraordinary Contract;

(f) give any Person the right to (i) declare a default or exercise any remedy under any Extraordinary Contract, (ii) accelerate the maturity or performance of any Extraordinary Contract, or (iii) cancel, terminate or modify any Extraordinary Contract;

(g) contravene, conflict with or result in a violation or Breach of or a default under any provision of, or give any Person the right to declare a default under, any Extraordinary Contract to which any of the Designated Shareholders is a party or by which any of the Designated Shareholders is bound; or

(h) result in the imposition or creation of any Encumbrance upon or with respect to any asset owned or used by G&J.

Except as set forth in Part 2.27 of the Disclosure Schedule, neither G&J nor any of the Designated Shareholders was, is or will be required to make any filing with or give any notice to, or to obtain any Consent from, any Person in connection with the execution and delivery of any of the Transactional Agreements or the consummation or performance of any of the Transactions.

**2.28 Brokers.** Neither G&J nor any of the Designated Shareholders has agreed or become obligated to pay, or has taken any action that might result in any Person claiming to be entitled to receive, any brokerage commission, finder's fee or similar commission or fee in connection with any of the Transactions.

**2.29 Full Disclosure.**

(a) The Transactional Agreements contain no untrue statements of fact, and do not omit any fact the absence of which would make the representations, warranties or other statements or information regarding G&J contained in the Agreements misleading.

(b) Except as set forth in Part 2.29(b) of the Disclosure Schedule, there is no fact within the Knowledge of G&J or any of the Designated Shareholders (other than publicly known facts relating exclusively to political or economic matters of general applicability that will adversely affect all Comparable Entities) that (i) may have an adverse effect on G&J's business, condition, assets, liabilities, operations, financial performance, net income or prospects

(or on any aspect or portion thereof) or on the ability of G&J or any of the Designated Shareholders to comply with or perform any covenant or obligation under any of the Transactional Agreements, or (ii) may have the effect of preventing, delaying, making illegal or otherwise interfering with any of the Transactions.

(c) All of the information set forth in the Disclosure Schedule, and all other information regarding G&J and its business, condition, assets, liabilities, operations, financial performance, net income and prospects that has been furnished to CH2M HILL or any of its Representatives by or on behalf of G&J or any of G&J's Representatives, is accurate and complete in all material respects.

(d) G&J and the Designated Shareholders have or will provide CH2M HILL and CH2M HILL's Representatives with full and complete access to all of G&J's records and other documents and data.

### **SECTION 3. REPRESENTATIONS AND WARRANTIES OF CH2M HILL AND MERGER SUB**

CH2M HILL and Merger Sub jointly and severally represent and warrant to G&J and the Designated Shareholders as follows:

**3.1 Authority; Binding Nature of Agreement.** CH2M HILL and Merger Sub have the absolute and unrestricted right, power and authority to perform their obligations under this Agreement; and the execution, delivery and performance by CH2M HILL and Merger Sub of this Agreement have been duly authorized by all necessary action on the part of CH2M HILL and Merger Sub and their respective boards of directors. No vote of CH2M HILL's shareholders is needed to approve the Merger. This Agreement constitutes the legal, valid and binding obligation of CH2M HILL and Merger Sub, enforceable against them in accordance with its terms, subject to (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

**3.2 Due Organization.** CH2M HILL and Merger Sub are corporations duly organized, validly existing and in good standing under the laws of the State of Florida. Each has all necessary power and authority:

(a) to conduct its business in the manner in which its business is currently being conducted and in the manner in which its business is proposed to be conducted; and

(b) to own and use its assets in the manner in which its assets are currently owned and used and in the manner in which its assets are proposed to be owned and used.

Each of CH2M HILL and Merger Sub is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the failure to be so qualified could have an adverse effect on the ability of CH2M HILL or Merger Sub to perform its obligations under this Agreement.

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**3.3 Non-Contravention; Consents.** Neither the execution and delivery of any of the Transactional Agreements, nor the consummation or performance of any of the Transactions, will directly or indirectly (with or without notice or lapse of time):

(a) contravene, conflict with or result in a violation of (i) any of the provisions of CH2M HILL's or Merger Sub's articles of incorporation or bylaws, or (ii) any resolution adopted by CH2M HILL's or Merger Sub's shareholders, CH2M HILL's or Merger Sub's board of directors or any committee of CH2M HILL's or Merger Sub's board of directors;

(b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which either CH2M HILL or Merger Sub or any of the assets owned or used by CH2M HILL or Merger Sub, is subject;

Except as otherwise completed prior to the Closing Date, neither CH2M HILL nor Merger Sub was, is or will be required to make any filing with or give any notice to, or to obtain any Consent from, any Person in connection with the execution and delivery of any of the Transactional Agreements or the consummation or performance of any of the Transactions.

**3.4 Resources.** CH2M HILL has and will have resources sufficient to satisfy its obligations under Section 1.5 of the Agreement at the time such obligations are required to be performed.

**3.5 Brokers.** Neither CH2M HILL nor Merger Sub has agreed or become obligated to pay, or has taken any action that might result in any Person claiming to be entitled to receive, any brokerage commission, finder's fee or similar commission or fee in connection with any of the Transactions.

**3.6 Comfort Letter.** Prior to the Closing Date, CH2M HILL shall cause the Parent to execute a comfort letter in the form substantially similar to Exhibit N for the benefit of Designated Shareholders.

**3.7 Full Disclosure.** The Transactional Agreements contain no untrue statements of fact and do not omit any fact, the absence of which would make the representations, warranties or other statements or information regarding CH2M HILL or Merger Sub contained in the Agreements misleading.

## **SECTION 4. CERTAIN COVENANTS OF G&J AND THE DESIGNATED SHAREHOLDERS**

**4.1 Access and Investigation.** During the Pre-Closing Period, G&J shall, and shall cause its Representatives to: (a) provide CH2M HILL and CH2M HILL's Representatives with reasonable access to G&J's Representatives, personnel and assets and to all existing books, records, Tax Returns, work papers and other documents and information relating to G&J; and (b) provide CH2M HILL and CH2M HILL's Representatives with copies of such existing books,

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records, Tax Returns, work papers and other documents and information relating to G&J, and with such additional financial, operating and other data and information regarding G&J, as CH2M HILL may reasonably request.

**4.2 Operation of G&J's Business.** During the Pre-Closing Period:

(a) G&J shall conduct its business and operations in the ordinary course and in substantially the same manner as such business and operations have been conducted prior to the date of this Agreement;

(b) G&J shall use reasonable efforts to preserve intact its current business organization, keep available the services of its current officers and employees and maintain its relations and good will with all suppliers, customers, landlords, creditors, employees and other Persons having business relationships with G&J;

(c) G&J shall keep in full force all insurance policies identified in Part 2.22(a) of the Disclosure Schedule;

(d) G&J shall cause its officers to report to CH2M HILL regularly concerning the status of G&J's business (but in no event less frequently than weekly) in such form as may be proposed by G&J and reasonably acceptable to CH2M HILL;

(e) G&J shall not declare, accrue, set aside or pay any dividend or make any other distribution in respect of any shares of capital stock, and shall not repurchase, redeem or otherwise reacquire any shares of capital stock or other securities (except that G&J may repurchase G&J Common Stock from former employees pursuant to the terms of existing restricted stock purchase agreements);

(f) G&J shall not sell, issue or authorize the issuance of (i) any capital stock or other security, (ii) any option or right to acquire any capital stock or other security, or (iii) any instrument convertible into or exchangeable for any capital stock or other security (except that G&J shall be permitted (y) to grant stock options to employees in accordance with its past practices and (z) to issue G&J Common Stock to employees upon the exercise of outstanding G&J Options;

(g) neither G&J nor any of the Designated Shareholders shall amend or permit the adoption of any amendment to G&J's articles of incorporation or bylaws, or effect or permit G&J to become a party to any Acquisition Transaction, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction;

(h) G&J shall not form any subsidiary or acquire any equity interest or other interest in any other Entity;

(i) G&J shall not make any capital expenditure that, when added to all other capital expenditures made on behalf of G&J during the Pre-Closing Period, do not exceed

\$10,000 per month, except for capital expenditures made in the Ordinary Course of Business consistent with budgets previously disclosed to CH2M HILL;

(j) G&J shall not (i) enter into, or permit any of the assets owned or used by it to become bound by, any Contract that is or would constitute a material Contract, or (ii) amend or prematurely terminate, or waive any material right or remedy under, any such Contract;

(k) G&J shall not (i) acquire, lease or license any right or other asset from any other Person, (ii) sell or otherwise dispose of, or lease or license, any right or other asset to any other Person, or (iii) waive or relinquish any right, except for assets acquired, leased, licensed or disposed of by G&J pursuant to Contracts that are not material Contracts;

(l) G&J shall not (i) lend money to any Person (except that G&J may make routine travel advances and expenses to employees in the Ordinary Course of Business and may, consistent with its past practices, allow employees to acquire G&J Common Stock in exchange for promissory notes upon exercise of G&J Options and make routine client advances), or (ii) incur or guarantee any indebtedness for borrowed money (except that G&J may make routine borrowings in the ordinary course of business under its line of credit with Colonial Bank).

(m) except as explicitly contemplated herein, G&J shall not (i) establish, adopt or amend any Employee Benefit Plan, (ii) pay any bonus or make any profit-sharing payment, cash incentive payment or similar payment to, or increase the amount of the wages, salary, commissions, fringe benefits or other compensation or remuneration payable to, any of its directors, officers or employees, or (iii) hire any new employee whose aggregate annual compensation is expected to exceed \$30,000.00.;

(n) G&J shall not change any of its methods of accounting or accounting practices in any material respect;

(o) G&J shall not make any Tax election;

(p) G&J shall not commence or settle any Legal Proceeding provided settlement value exceeds \$5,000;

(q) G&J shall continue to hold all G&J Stock Certificates and shall not issue or release any G&J Stock Certificate prior to the Closing Date;

(r) G&J shall not agree or commit to take any of the actions described in clauses "(e)" through "(r)" above.

Notwithstanding the foregoing, G&J may take any action described in clauses "(e)" through "(r)" above if CH2M HILL gives its prior written consent to the taking of such action by G&J, which consent will not be unreasonably withheld (it being understood that CH2M HILL's withholding of consent to any action will not be deemed unreasonable if CH2M HILL determines in good faith that the taking of such action would not be in the best interests of CH2M HILL or would not be in the best interests of G&J).

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#### **4.3 Notification; Updates to Disclosure Schedule.**

(a) During the Pre-Closing Period, G&J shall promptly notify CH2M HILL in writing of:

(i) the discovery by G&J of any material event, condition, fact or circumstance that occurred or existed on or prior to the date of this Agreement and that caused or constitutes an inaccuracy in or Breach of any representation or warranty made by G&J or any of the Designated Shareholders in this Agreement;

(ii) any material event, condition, fact or circumstance that occurs, arises or exists after the date of this Agreement and that would cause or constitute an inaccuracy in or Breach of any representation or warranty made by G&J or any of the Designated Shareholders in this Agreement if (A) such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance, or (B) such event, condition, fact or circumstance had occurred, arisen or existed on or prior to the date of this Agreement;

(iii) any Breach of any covenant or obligation of G&J or any of the Designated Shareholders; and

(iv) any event, condition, fact or circumstance that would make the timely satisfaction of any of the conditions set forth in Section 6 or Section 7 impossible or unlikely.

(b) If any event, condition, fact or circumstance that is required to be disclosed pursuant to Section 4.3(a) requires any change in the Disclosure Schedule, or if any such event, condition, fact or circumstance would require such a change assuming the Disclosure Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance, then G&J shall promptly deliver to CH2M HILL an update to the Disclosure Schedule specifying such change..

**4.4 No Negotiation.** During the Pre-Closing Period, neither G&J nor any of the Designated Shareholders shall, directly or indirectly:

(a) solicit or encourage the initiation of any inquiry, proposal or offer from any Person (other than CH2M HILL) relating to a possible Acquisition Transaction;

(b) participate in any discussions or negotiations or enter into any agreement with, or provide any non-public information to, any Person (other than CH2M HILL) relating to or in connection with a possible Acquisition Transaction; or

(c) consider, entertain or accept any proposal or offer from any Person (other than CH2M HILL) relating to a possible Acquisition Transaction.

G&J shall promptly notify CH2M HILL in writing of any material inquiry, proposal or offer relating to a possible Acquisition Transaction that is received by G&J or any of the Designated Shareholders during the Pre-Closing Period.

**4.5 Performance Under Employment Agreements.** Designated Shareholders shall perform all their respective obligations under the Employment Agreements in accordance with their terms.

## **SECTION 5. ADDITIONAL COVENANTS OF THE PARTIES**

**5.1 Filings and Consents.** As promptly as practicable after the execution of this Agreement, each party to this Agreement (a) shall make all filings (if any) and give all notices (if any) required to be made and given by such party in connection with the Merger and the other transactions contemplated by this Agreement, and (b) shall use all commercially reasonable efforts to obtain all Consents (including without limitation those relating to change of control and similar provisions in Extraordinary Contracts and leases to which G&J is a party) required to be obtained (pursuant to any applicable Legal Requirement or Extraordinary Contract, or otherwise) by such party in connection with the Merger and the other transactions contemplated by this Agreement. G&J shall (upon request) promptly deliver to CH2M HILL a copy of each such filing made, each such notice given and each such Consent obtained by G&J during the Pre-Closing Period.

**5.2 Shareholder Approval of Merger.** G&J shall, in accordance with its articles of incorporation and bylaws, and in accordance with Section 607.1103 of the Florida Business Corporation Act and any other applicable requirements of the Florida Business Corporation Act, call and hold a special meeting of its shareholders as promptly as practicable following the date of this Agreement for the purpose of permitting them to consider and to vote upon and approve the Merger, this Agreement and the Transactions contemplated herein (the "G&J Shareholders' Meeting"). Promptly following the date of this Agreement, the Board of Directors of G&J shall, in accordance with Section 607.1103 of the Florida Business Corporation Act, cause to be delivered to each shareholder of G&J who is entitled to vote at the G&J Shareholders' Meeting at least 10 days prior to the date of the G&J Shareholders' Meeting a notice of special meeting satisfying the requirements of Section 607.0705 of the Florida Business Corporation Act. G&J shall include with the notice of meeting materials provided to its shareholders: (i) the Board's recommendation that the Merger be approved together with a copy of this Agreement and any other information required by the applicable statutes under the Florida Business Corporation Act for the purpose of approving the Merger, (ii) a summary of the Transactions and other appropriate disclosure of the Transactions along with a copy of the Transaction Documents, and (iii) a copy of the materials pertaining to dissenter's rights as required by Section 607.1320 of the Florida Business Corporation Act. As promptly as practicable after the delivery of the notice of meeting and accompanying materials contemplated by this Section 5.2, G&J shall use its best efforts to solicit from each shareholder of G&J who is entitled to vote at the G&J Shareholders' Meeting a proxy in favor of the approval of the Merger, this Agreement and the Transactions contemplated herein.

**5.3 Designated Shareholder Agreements.** Each Designated Shareholder agrees that, during the period from the date of this Agreement through the earlier of (i) the date upon which this Agreement is validly terminated, or (ii) the date upon which the Merger becomes effective:

(a) at any meeting of shareholders of G&J, however called, such Designated Shareholder shall (unless otherwise directed in writing by CH2M HILL) cause all outstanding shares of G&J Common Stock that are owned by such Designated Shareholder as of the record date fixed for such meeting to be voted in favor of the approval and adoption of this Agreement and the approval of the Merger, and in favor of each of the other actions contemplated by this Agreement, including, without limitation, an amendment to G&J's articles of incorporation;

(b) in the event written consents are solicited or otherwise sought from shareholders of G&J with respect to the approval or adoption of this Agreement, with respect to the approval of the Merger or with respect to any of the other actions contemplated by this Agreement, including, without limitation, an amendment to G&J's articles of incorporation, such Designated Shareholder shall (unless otherwise directed in writing by CH2M HILL) cause to be executed, with respect to all outstanding shares of G&J Common Stock that are owned by such Designated Shareholder as of the record date fixed for the consent to the proposed action, a written consent or written consents to such proposed action;

(c) that he or she hereby irrevocably and unconditionally waives, and agrees to cause to be waived and to prevent the exercise of, any rights of appraisal, any dissenters' rights and any similar rights relating to the Merger or any related transaction that such Designated Shareholder or any other Person may have by virtue of the ownership of any outstanding shares of G&J Common Stock owned by such Designated Shareholder;

(d) that he or she shall not cause or permit any Transfer of any of the Subject Securities to be effected unless each Person to whom any of such Subject Securities, or any interest in any of such Subject Securities, is or may be transferred shall have: (a) executed a counterpart of this Agreement (with such modifications as CH2M HILL may reasonably request); and (b) agreed to hold such Subject Securities (or interest in such Subject Securities) subject to all of the terms and provisions of this Agreement.

(e) that he or she shall ensure that: (a) none of the Subject Securities is deposited into a voting trust; and (b) no proxy is granted, and no voting agreement or similar agreement is entered into, with respect to any of the Subject Securities.

**5.4 Publicity.** During the Pre-Closing Period, (a) neither G&J nor CH2M HILL shall (and shall not permit any of its Representatives to) issue any press release or make any public statement regarding this Agreement or the Merger, or regarding any of the other transactions contemplated by this Agreement, without prior written consent of the other party. After the earlier of the termination of this Agreement or the Closing Date, the Designated Shareholders shall continue to keep the existence and terms of this Agreement and the other Transactional Agreements strictly confidential unless CH2M HILL shall consent otherwise. Notwithstanding anything herein to the contrary, no party shall be restricted from any disclosure required by applicable law, regulation or court order.

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**5.5 Best Efforts.** During the Pre-Closing Period, (a) G&J and the Designated Shareholders shall use their best efforts to cause the conditions set forth in Section 6 to be satisfied on a timely basis, and (b) CH2M HILL and Merger Sub shall use their best efforts to cause the conditions set forth in Section 7 to be satisfied on a timely basis.

**5.6 Employee Transition Plan.** Prior to the Closing Date, CH2M HILL shall adopt an employee transition plan for the benefit of G&J employees in the form attached to this Agreement as Exhibit E (the "Employee Transition Plan") to be effective as of the Closing Date and shall carry out the Employee Transition Plan according to its terms.

**5.7 Employment Agreements.** CH2M HILL and each of the Designated Shareholders listed on Exhibit F shall, and G&J and Designated Shareholders shall use their commercially reasonable efforts to cause each employee listed on Exhibit F to, execute and deliver to CH2M HILL an Employment Agreement effective on ~~or prior to~~ the Closing Date for a time period indicated on Exhibit F substantially in the form of Exhibit G with such changes therein or additions thereto as CH2M HILL and the employee who is party to the agreement may agree.

**5.8 Termination of Agreements.** G&J shall cause the agreements listed on Exhibit L to be terminated at or prior to the Closing Date in a manner and form reasonably acceptable to CH2M HILL.

**5.9 FIRPTA Matters.** At the Closing, (a) G&J shall deliver to CH2M HILL a statement (in such form as may be reasonably requested by counsel to CH2M HILL) conforming to the requirements of Section 1.897 - 2(h)(1)(i) of the United States Treasury Regulations, and (b) G&J shall deliver to the Internal Revenue Service the notification required under Section 1.897 - 2(h)(2) of the United States Treasury Regulations.

**5.10 2001 401K Contribution Commitment.** On or about December 31, 2001, the board of directors of G&J adopted a resolution approving a discretionary contribution to the G&J Profit Sharing Retirement/401K Plan in the amount of \$200,000. This contribution was not made as of Closing. This resolution shall be deemed as disallowed by the terms of this Agreement. G&J and Designated Shareholders understand and agree that CH2M HILL shall have no obligations with respect any contributions to the G&J Profit Sharing Retirement/401K Plan and CH2M HILL's obligations with respect to any benefits related to G&J employees shall be limited to the provisions of the Employment Transition Plan in Exhibit E and any agreements CH2M HILL may make with the respective employees.

## **SECTION 6. CONDITIONS PRECEDENT TO OBLIGATIONS OF CH2M HILL AND MERGER SUB**

The obligations of CH2M HILL and Merger Sub to effect the Merger and otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

**6.1 Accuracy of Representations.** Each of the representations and warranties made by G&J and the Designated Shareholders in this Agreement and in each of the other agreements

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and instruments delivered to CH2M HILL in connection with the transactions contemplated by this Agreement shall have been accurate in all material respects as of the date of this Agreement (without giving effect to any materiality qualifications, or any similar qualifications, contained or incorporated directly or indirectly in such representations and warranties), and shall be accurate in all material respects as of the Scheduled Closing Time.

**6.2 Performance of Covenants.** All of the covenants and obligations that G&J and the Designated Shareholders are required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all respects.

**6.3 Shareholder Approval.** G&J and the Designated Shareholders shall have complied with and performed the covenants set forth in Section 5.2 and 5.3, the Merger shall have been duly approved and by at least 95% of the shares of G&J Common Stock entitled to vote with respect thereto the aggregate number of shares of G&J Common Stock held by shareholders who have exercised right to dissent under Section 607.1320 of the Florida Business Corporation Act shall not exceed 2% of all outstanding shares.

**6.4 Consents.** All Consents (including without limitation those relating to change of control and similar provisions in contracts and leases to which G&J is a party) required to be obtained in connection with the Merger and the other transactions contemplated by this Agreement (including without limitation the Consents identified in Part 2.27 of the Disclosure Schedule) shall have been obtained and shall be in full force and effect.

**6.5 Mass Mutual Mortgage.** Mass Mutual shall agree to an arrangement with CH2M HILL or its Parent to assume, guarantee or undertake an alternative acceptable equivalent arrangement, G&J obligations under that certain mortgage of October 25, 1995 for G&J's property at One Harvard Circle, West Palm Beach, Florida on terms and conditions currently in effect under that mortgage, in the form and substance acceptable to CH2M HILL in its sole discretion.

**6.6 Agreements and Documents.** CH2M HILL shall have received the following agreements and documents, each of which shall be in full force and effect prior to and at or as of the Closing Date:

(a) the Employment Agreements contemplated by Section 5.7 executed by each individual identified on Exhibit F;

(b) the Option Agreements and other documents contemplated by Section 1.5(e) and executed by each individual identified in Exhibit H;

(c) confidential invention and assignment agreements, reasonably satisfactory in form and content to CH2M HILL, executed by all employees of G&J, and by all consultants and independent contractors to G&J who have not already signed such agreements, who have been designated by CH2M HILL and who will be employed by CH2M HILL post closing in accordance with the Employee Transition Plan contemplated by Section 5.6;

(d) the statement referred to in Section 5.9, executed by G&J;

(e) written consent and assignment, limited guarantee, or another arrangement executed by Mass Mutual regarding the status of the mortgage for G&J's property at One Harvard Circle, West Palm Beach, Florida and consenting to the change of control of G&J, such document(s) reasonably satisfactory in form and substance to CH2M HILL in its sole discretion;

(f) a legal opinion of Nason, Yeager, Gerson, White & Lioce, PA, dated as of the Closing Date, in the form of Exhibit J;

(g) a certificate executed by the Designated Shareholders and containing the representation and warranty of each Designated Shareholder that each of the representations and warranties set forth in Section 2 is accurate in all material respects as of the Closing Date as if made on the Closing Date and that the conditions set forth in Sections 6.1, 6.2, 6.3, 6.4 and 6.5 have been duly satisfied (the "Designated Shareholders' Closing Certificate"); and

(h) such documents as are necessary to implement Section 1.4; and

(i) the warranty document from G&J regarding G&J employment claims history as required by CH2M HILL potential employment practices insurers in the form of Exhibit O.

**6.7 Insurance.** G&J shall have secured errors and omissions insurance, and fiduciary liability insurance in form and substance acceptable to CH2M HILL covering all such Liabilities prior to the Closing. G&J and any Designated Shareholder, if required, shall have provided to G&J's insurance carrier any certification or other documentation required for G&J to receive such coverage.

**6.8 FIRPTA Compliance.** If applicable, G&J shall have filed with the Internal Revenue Service any required notification referred to in Section 5.9.

**6.9 No Restraints.** No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Merger shall have been issued by any court of competent jurisdiction and remain in effect, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger that makes consummation of the Merger illegal.

**6.10 No Legal Proceedings.** No Person shall have commenced or threatened to commence any Legal Proceeding challenging or seeking the recovery of a material amount of damages in connection with the Merger or seeking to prohibit or limit the exercise by CH2M HILL of any material right pertaining to its ownership of stock of the Surviving Corporation.

**6.11 Employees.** None of the individuals identified on Exhibit F shall have ceased to be employed by, or expressed an intention to terminate their employment with G&J and/or CH2M HILL. In addition, subject to provisions of Section 6.6(c), at least 85% of G&J's technical and professional employees not individually identified on Exhibit F shall continue to be

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employed by, and have not expressed an intention to terminate their employment with, G&J and/or CH2M HILL

**6.12 Filing of Certificate of Merger.** The articles of merger referred to in Section 1.3 in a form acceptable to CH2M HILL, shall have been filed with the Secretary of State of the State of Florida.

**6.13 Termination of Agreements.** G&J shall have provided CH2M HILL with evidence, reasonably satisfactory to CH2M HILL, as to the termination of the agreements referred to in Section 5.8.

**6.14 Inspection and Environmental Assessment of Real Property.**

- a. Completion to the satisfaction of CH2M HILL of customary inspections of the current condition of the real property owned by G&J and located at One Harvard Circle, West Palm Beach, Florida, including but not limited to the state of the on-going building maintenance, building systems and structural condition and integrity of the building.
- b. Completion to the satisfaction of CH2M HILL of a customary of environmental assessment of the aforementioned real property and assurances that its current environmental condition is consistent with that certain Environmental Indemnity Agreement, dated October 26, 1995, between G&J and Mass Mutual, the indemnification obligations of which Parent is required to guaranty as condition to consents anticipated in Section 6.5.

**SECTION 7. CONDITIONS PRECEDENT TO OBLIGATIONS OF G&J**

The obligations of G&J to effect the Merger and otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction, at or prior to the Closing, of the following conditions:

**7.1 Accuracy of Representations.** Each of the representations and warranties made by CH2M HILL and Merger Sub in this Agreement shall have been accurate in all material respects as of the date of this Agreement (without giving effect to any materiality or similar qualifications contained in such representations and warranties), and shall be accurate in all material respects as of the Scheduled Closing Time as if made at the Scheduled Closing Time (without giving effect to any materiality or similar qualifications contained in such representations and warranties).

**7.2 Performance of Covenants.** All of the covenants and obligations that CH2M HILL and Merger Sub are required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all respects.

**7.3 Agreements and Documents.** Each of the Designated Shareholders shall have received the following agreements and documents, each of which shall be in full force and effect prior to and at or as of the Closing Date:

(a) the Employee Transition Plan contemplated by Section 5.6 in the form of Exhibit E as adopted by CH2M HILL;

(b) the Employment Agreements contemplated by Section 5.7 executed by CH2M HILL with respect to such individual identified on Exhibit F;

(c) the Option Agreements and other documents contemplated by Section 1.5(e) with respect to such Designated Shareholder, if applicable;

(d) a certificate executed by CH2M HILL to the effect stating that each of the representations and warranties set forth in Section 3 is accurate in all material respects as of the Closing Date as if made on the Closing Date (without giving effect to any materiality qualifications, or any similar qualifications, contained or incorporated directly or indirectly in such representations and warranties) and that the conditions set forth in Sections 7.1 and 7.2 have been duly satisfied; and

**7.4 No Restraints.** No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Merger shall have been issued by any court of competent jurisdiction and remain in effect, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger that makes consummation of the Merger illegal.

**7.5 Insurance.** CH2M HILL shall have secured continuation of the current errors and omissions insurance and fiduciary liability insurance for G&J's pre-closing liabilities for a three year tail coverage at CH2M HILL's expense, up to \$684,890 plus 50% of any premium costs in excess of \$684,890, the remaining insurance premium to be paid by G&J with proceeds from Closing, providing coverage no less favorable than G&J's current insurance policy coverage.

**7.6 Mass Mutual.** Mass Mutual shall agree to an arrangement with CH2M HILL with respect to that certain mortgage of October 25, 1995 for G&J's property at One Harvard Circle, West Palm Beach, Florida on terms and conditions acceptable to G&J.

## **SECTION 8. TERMINATION**

**8.1 Termination Events.** This Agreement may be terminated prior to the Closing:

(a) by CH2M HILL if CH2M HILL reasonably determines that the timely satisfaction of any condition set forth in Section 6 has become impossible (other than as a result of any failure on the part of CH2M HILL or Merger Sub to comply with or perform any covenant or obligation of CH2M HILL or Merger Sub set forth in this Agreement);

(b) by G&J if G&J reasonably determines that the timely satisfaction of any condition set forth in Section 7 has become impossible (other than as a result of any failure on the part of G&J or any of the Designated Shareholders to comply with or perform any covenant or obligation set forth in this Agreement or in any other agreement or instrument delivered to CH2M HILL);

(c) by CH2M HILL at or after the Scheduled Closing Time if any condition set forth in Section 6 has not been satisfied by the Scheduled Closing Time;

(d) by G&J at or after the Scheduled Closing Time if any condition set forth in Section 7 has not been satisfied by the Scheduled Closing Time;

(e) by CH2M HILL if the Closing has not taken place on or before January 15, 2002 (other than as a result of any failure on the part of CH2M HILL or Merger Sub to comply with or perform any covenant or obligation of CH2M HILL or Merger Sub set forth in this Agreement);

(f) by G&J if the Closing has not taken place on or before January 15, 2002 (other than as a result of the failure on the part of G&J or any of the Designated Shareholders to comply with or perform any covenant or obligation set forth in this Agreement; or

(g) by the mutual consent of CH2M HILL and G&J.

**8.2 Termination Procedures.** If CH2M HILL wishes to terminate this Agreement pursuant to Section 8.1(a), Section 8.1(c) or Section 8.1(e), CH2M HILL shall deliver to G&J a written notice stating that CH2M HILL is terminating this Agreement and setting forth a brief description of the basis on which CH2M HILL is terminating this Agreement. If G&J wishes to terminate this Agreement pursuant to Section 8.1(b), Section 8.1(d) or Section 8.1(f), G&J shall deliver to CH2M HILL a written notice stating that G&J is terminating this Agreement and setting forth a brief description of the basis on which G&J is terminating this Agreement.

**8.3 Effect of Termination.** If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement shall terminate; *provided, however*, that: (a) neither G&J nor CH2M HILL shall be relieved of any obligation or liability arising from any prior Breach by such party of any provision of this Agreement; and (b) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Sections 5.4, 9 and 10.

## **SECTION 9. INDEMNIFICATION, ETC.**

### **9.1 Survival of Representations, Etc.**

(a) The representations and warranties made by the Designated Shareholders (including the representations and warranties set forth in Section 2 and the representations and warranties set forth in the Designated Shareholders' Closing Certificate) shall survive the Closing and shall expire on the third (3) anniversary of the Closing Date; *provided, however*, that

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if, at any time prior to the third (3) anniversary of the Closing Date, any Indemnitee (acting in good faith) delivers to any of the Designated Shareholders a written notice alleging the existence of an inaccuracy in or a Breach of any of the representations and warranties made by the Designated Shareholders (and setting forth in reasonable detail the basis for such Indemnitee's belief that such an inaccuracy or Breach may exist) and asserting a claim for recovery under Section 9.2 based on such alleged inaccuracy or Breach, then the claim asserted in such notice shall survive the third (3) anniversary of the Closing until such time as such claim is fully and finally resolved; *provided further*, that the representations and warranties made by the Designated Shareholders in Section 2.3 shall survive the Closing for an indefinite period (subject to any applicable statutes of limitations) and the representations and warranties made by the Designated Shareholders in Section 2.11(c) shall survive the Closing for the life of the Mortgage Agreements and the MM Consent Agreement. All representations and warranties made by CH2M HILL and Merger Sub shall survive the Closing and shall expire on the third (3) anniversary of the Closing Date, and any liability of CH2M HILL or Merger Sub with respect to such representations and warranties shall thereupon cease.

(b) The representations, warranties, covenants and obligations of G&J and the Designated Shareholders, and the rights and remedies that may be exercised by the Indemnites, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of the Indemnites or any of their Representatives, except information furnished as part of the Disclosure Schedules.

(c) For purposes of this Agreement, each statement or other item of information set forth in the Disclosure Schedule or in any update to the Disclosure Schedule shall be deemed to be a representation and warranty made by G&J and the Designated Shareholders in this Agreement.

## **9.2 Indemnification by Designated Shareholders.**

(a) From and after the Effective Time (but subject to Section 9.1(a)), the Designated Shareholders, shall hold harmless and indemnify each of the Indemnites from and against, and shall compensate and reimburse each of the Indemnites for, any Damages which are directly or indirectly suffered or incurred by any of the Indemnites or to which any of the Indemnites may otherwise become subject (regardless of whether or not such Damages relate to any third-party claim) and which arise from or as a result of, or are directly or indirectly connected with: (i) any inaccuracy in or Breach of any representation or warranty set forth in Section 2 or in the Designated Shareholders' Closing Certificate (without giving effect to any materiality qualification or any similar qualification contained or incorporated directly or indirectly in such representation or warranty, but giving effect to any update to the Disclosure Schedule delivered by G&J to CH2M HILL prior to the Closing); (ii) any Breach of any covenant or obligation of G&J or any of the Designated Shareholders (including the covenants set forth in Sections 4 and 5); (iii) any Legal Proceeding relating to any inaccuracy or Breach of the type referred to in clause "(i)" or "(ii)" above (including any Legal Proceeding commenced by any Indemnitee for the purpose of enforcing any of its rights under this Section 9); or (iv) any Damages resulting from the exercise by any shareholders of G&J of the right to dissent under Section 607.1320 of the Florida Business Corporation Act and any other Claim made by any

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shareholder of G&J arising as a result of the Merger and the other transactions contemplated by this Agreement (including Damages resulting from payments to those exercising dissenters rights less amounts that would have been paid to them as Cash Consideration under Section 1.5(a) and Damages resulting from any costs and expenses incurred by the Surviving Corporation or CH2M HILL in connection therewith), *provided that* the Designated Shareholders shall have no obligation to indemnify the Indemnitees with respect to E&O Liabilities as to which the Designated Shareholders did not have Knowledge on or prior to the Closing Date.

(b) The Designated Shareholders acknowledge and agree that, if the Surviving Corporation, CH2M HILL or any Indemnitees, suffer, incur or otherwise becomes subject to any Damages as a result of or in connection with any inaccuracy in or Breach of any representation, warranty, covenant or obligation, then (without limiting any rights as Indemnitee), CH2M HILL shall also be deemed, by virtue of its ownership of the stock of the Surviving Corporation, to have incurred Damages as a result of and in connection with such inaccuracy or Breach.

(c) The indemnification contemplated by this Section 9.2 with respect to each Designated Shareholder is limited to that shareholder's pro-rata share in the indemnification liability based on his shareholding ratio in G&J at Closing without regard to holdings by non-Designated Shareholders. In no event will any Designated Shareholder be liable for more than that shareholder's respective merger consideration received pursuant to this agreement.

(d) With respect to the indemnification arising from representations and warranties in Section 2.4(d) (accuracy of WIP and AR and adequacy of Total Reserves), in addition to all the other provisions in this Agreement, the obligation of the parties to each other shall be determined as follows.

- (i) Six (6) months after Closing or as soon thereafter as is practicable (the "First Review Date"), the special review committee representing both CH2M HILL and the Designated Shareholders ("Review Committee") shall meet to review the differences, if any, between Warranted WIP and Warranted AR and the actual billed and collected WIP and AR between November 30, 2001 and the First Review Date. The Review Committee shall also review the differences, if any, between the Legal Reserve against the actually expended and reasonably anticipated to be expended legal and settlement costs not otherwise covered by G&J errors and omissions insurance with respect to Claims-At-Closing as of the First Review Date. The Review Committee shall also review the differences, if any, between the Medical Reserve against the actually expended and reasonably anticipated to be expended, medical expenses as of the First Review Date.
- (ii) Six (6) months after the First Review Date or sooner if parties so agree ("Final Review Date"), the Review Committee shall meet again to review the differences, if any, between Warranted WIP and Warranted AR and the actual billed and collected WIP and AR between November 30, 2001 and the Final Review Date ("Collections"). The Review Committee shall also review the differences, if any, between the Legal Reserves against the actually expended, or reasonably anticipated to be expended, legal and settlement costs not otherwise covered by

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G&J errors and omissions insurance with respect to Claims-At-Closing as of the Final Review Date ("Actual Legal Expenses"). The Review Committee shall also review the differences, if any, between the Medical Reserve against the actually expended, and reasonably anticipated to be expended, medical expenses as of the Final Review Date ("Actual Medical Expenses").

- (iii) For purposes of this Section the term "Warranted Collections" shall mean the sum of Warranted WIP and Warranted AR reduced by Bad Debt Reserve. To the extent the Collections reduced by Warranted Collections **are less than** the sum total of (A) the Legal Reserve as reduced by the Actual Legal Expenses plus (B) the Medical Reserve as reduced by the Actual Medical Expenses ("Shortfall"), all as determined and unanimously agreed by the Review Committee, CH2M HILL shall be immediately reimbursed by the Designated Shareholders for the Shortfall through the setoff under Section 9.7 subject to the limitation in Section 9.3(c)(i) (\$500,000 limitation).
- (iv) For purposes of this Section 9.2(d), the Review Committee shall consist of Bud Ahearn and Cliff Thompson for CH2M HILL and Phil Crannell and Don Goddeau for the Designated Shareholders. If the aforementioned representatives are not available to serve on the Review Committee as contemplated by this Agreement, CH2M HILL or the Designated Shareholders, as the case may be, may designate substitute(s) with timely notice to the other party and subject to the other party's reasonable concurrence.
- (v) If the Review Committee after due and timely deliberation, not to exceed thirty (30) calendar days, is unable to agree on the presence or absence of the Shortfall, either party may turn the determination of the matter over for final and binding resolution to an independent Big 5 accountancy firm acceptable to both parties. Costs for such 3<sup>rd</sup> party determination to be shared equally by the parties.

### **9.3 Threshold; Ceiling.**

(a) **Liability Ceiling.** Unless otherwise provided in Section 9.3(d), the Designated Shareholders' liability to CH2M HILL under the indemnity provisions of this Agreement is limited in the aggregate to \$2,800,000.

#### **(b) Threshold .**

- (i) **Grace Allowance.** The Designated Shareholders shall not be required to make any indemnification payments pursuant to this Agreement for any inaccuracy in or Breach of any of their representations and warranties set forth in this Agreement until such time as the total amount of all Damages exceeds \$50,000 in the aggregate.
- (ii) **Exception to Grace Allowance.** Notwithstanding the foregoing,

the Damages referenced in Sections 9.2(a)(ii) (damages due to breach of covenants and obligations), 9.2(a)(iv) (damages due to exercise of dissenter rights) and any indemnification arising from representations and warranties in Section 2.4(d) (accuracy of WIP and adequacy of legal reserves) and Section 2.11(c) (Mortgage Agreements) shall be subject to this indemnification starting with the first dollar of liability.

- (c) **Indemnification Payments Due.** If the total amount of all Damages suffered by CH2M HILL and is otherwise subject to Designated Shareholders' indemnification under this Agreement exceeds \$50,000, then the Designated Shareholders shall compensate and reimburse CH2M HILL for
- (i) all Damages resulting from any inaccuracy in or Breach of any of the Designated Shareholders' representations and warranties that relate to Section 2.4(d) (accuracy of WIP and adequacy of legal reserves), ERISA, workers' compensation, Tax and OSHA matters up to an aggregate amount of \$500,000 and
  - (ii) all other Damages subject to indemnification under this Agreement up to an aggregate amount of \$2,800,000 (except as provided in Section 9.3(d));
  - (iii) furthermore, the total amount of Damages resulting from any inaccuracy in or Breach of any of the Designated Shareholders' representations and warranties that CH2M HILL is entitled to recover from the Designated Shareholders under this Agreement shall be limited to the actual Damages net of any amounts actually recovered by G&J or CH2M HILL under the insurance policies obtained pursuant to Section 6.7 provided that such representations and warranties are limited by Designated Shareholders' Knowledge and the Designated Shareholders had imputed "Knowledge" (as defined in part (b) or (c) of the definition of "Knowledge" set forth on Exhibit B to this Agreement) of events covered by the said representations and warranties, but did not have the actual "Knowledge" (as defined in part (a) of the definition of "Knowledge" in Exhibit B) of such events;
  - (iv) furthermore, the total amount of Damages resulting from any inaccuracy in or Breach of any of the Designated Shareholders' representations and warranties relating to ERISA Liabilities that CH2M HILL is entitled to recover from Designated Shareholders under this Agreement shall be limited to the actual Damages net of any amounts actually recovered by G&J or CH2M HILL under the insurance policies obtained pursuant to Section 6.7, if any.

(d) The limitation on the Designated Shareholders' indemnification obligations that is set forth in Sections 9.3(a) through 9.3(c) shall not apply to (i) any Breach of any of the representations set forth in Section 2.1 (but not section 2.1(c)), 2.3, 2.4, 2.26 and 2.27, or (ii) any Breach arising directly or indirectly from any circumstance of which G&J or any of the Designated Shareholders were actually aware on or prior to the Closing Date.

**9.4 Satisfaction of Indemnification Claim.** In the event any Designated Shareholder shall have any liability (for indemnification or otherwise) to any Indemnitee under this Section 9, such Designated Shareholder shall satisfy such liability by delivering to such Indemnitee cash in the aggregate dollar amount of such liability, less any amount reasonably available to CH2M HILL under Section 9.7.

**9.5 No Contribution, Release.**

(a) Each Designated Shareholder waives, and acknowledges and agrees that he shall not have and shall not exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or other right or remedy against the Surviving Corporation in connection with any indemnification obligation or any other liability to which he may become subject under or in connection with this Agreement or the Designated Shareholders' Closing Certificate.

(b) Each Designated Shareholder, for himself and for each of his Associated Parties, hereby releases and forever discharges G&J from, and hereby waives and relinquishes, each of the Released Claims, effective at the Effective Time.

**9.6 Interest.** Any Designated Shareholder who is required to hold harmless, indemnify, compensate or reimburse any Indemnitee pursuant to this Section 9 with respect to any Damages shall also be liable to such Indemnitee for simple interest calculated based on an annual rate of 5% on the amount of such Damages (for the period commencing as of the date on which such Designated Shareholder first received notice of a claim for recovery by such Indemnitee and ending on the date on which the liability of such Designated Shareholder to such Indemnitee is fully satisfied by such Designated Shareholder).

**9.7 Setoff.** In addition to and not in limitation of any other rights CH2M HILL may have:

(a) CH2M HILL shall be entitled to set off any amount that may be owed to any Indemnitee under this Section 9 against the merger consideration payable to the Designated Shareholders pursuant to Section 1.5(c); and

(b) For Designated Shareholders of G&J listed on Exhibit K to this Agreement who ceases to be employed by CH2M HILL prior to the third (3) anniversary of the Closing Date (or, if a shorter period, prior to the termination date set forth in any such employees employment agreement contemplated in Exhibit K) as a result of (i) such Designated

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Shareholder's material breach of his employment agreement contemplated in Section 5.7 or (ii) such Designated Shareholder's resignation without "Good Reason" or termination for "Cause" (each as defined in the employment agreements contemplated in Section 5.7), CH2M HILL shall be entitled to set off against the merger consideration payable to that Designated Shareholder pursuant to Section 1.5(d) the forfeiture amount corresponding to each such employee set forth on such Exhibit K. If the forfeiture amount on Exhibit K for the breaching Designated Shareholder exceeds the Designated Shareholder's pro-rata share in the compensation installment payable in accordance with Section 1.5(d) (determined based on that shareholder's shareholding ratio in G&J at Closing without regard to holdings by non-Designated Shareholders), CH2M HILL shall be entitled to set off against merger consideration payable to that Designated Shareholder pursuant to Section 1.5(c) (determined based on that shareholder's shareholding ratio in G&J at Closing without regard to holdings by non-Designated Shareholders).

(c) If CH2M HILL wishes to effect a setoff pursuant to Section 9.7(a) or (b), then CH2M HILL shall deliver to the Designated Shareholders' Agent by the third (3) anniversary of the Closing Date and before any cash payments are made under Sections 1.5(c) and (d), a written notice of its intent to effect a setoff (a "*Claim Notice*") setting forth (i) a description in reasonable detail of the circumstances supporting the belief that a right to effect a setoff exists, and (ii) the aggregate dollar amount of the setoff to be effected (such aggregate amount being referred to as the "*Claim Amount*"). Notwithstanding the foregoing, CH2M HILL shall notify the Designated Shareholders of its intent to effect a set-off to the extent reasonable within thirty (30) days of such intent becoming known to CH2M HILL's Chief Financial Officer. CH2M HILL's failure to provide such notice, however, shall not in any respect impact CH2M HILL's rights under the Agreement. Within fifteen (15) days after the delivery of a Claim Notice to the Designated Shareholders' Agent, the Designated Shareholders' Agent shall deliver to CH2M HILL a written notice (the "*Response Notice*") containing: (i) instructions to the effect that the entire Claim Amount set forth in such Claim Notice are not contested and may be withheld; or (ii) instructions to the effect that a specified portion (but not the entire amount) of the Claim Amount set forth in such Claim Notice are not contested and may be withheld, together with a statement that the remaining portion of such Claim Amount is being disputed; or (iii) a statement that the entire Claim Amount set forth in such Claim Notice is being disputed. If no Response Notice is received by CH2M HILL from the Designated Shareholders' Agent within fifteen (15) days after the delivery of a Claim Notice to the Designated Shareholders' Agent, then the Designated Shareholders' Agent and the Designated Shareholders shall be deemed to have given instructions to CH2M HILL that the entire Claim Amount set forth in such Claim Notice is not contested and may be withheld as a setoff.

(d) If a Response Notice delivered by the Designated Shareholders' Agent to CH2M HILL in response to a Claim Notice contains a statement that all or a portion of the Claim Amount set forth in such Claim Notice is being disputed (such Claim Amount or the disputed portion thereof being referred to as the "*Disputed Amount*"), then, notwithstanding anything contained in Section 1.5(c) or (d), CH2M HILL shall deliver the cash payments contemplated by Sections 1.5(c) and (d) minus the Claim Amount. The Disputed Amount shall continue to be withheld until such time as (i) CH2M HILL and the Designated Shareholders' Agent execute a

settlement agreement containing instructions regarding the payment of such Disputed Amount, or (ii) a judgement is rendered pursuant to dispute resolution provisions of Section 10.19 of this Agreement. CH2M HILL shall thereupon handle the Disputed Amount in accordance with the instructions set forth in such settlement agreement or judgement award. If no such agreement can be reached after good faith negotiation, either CH2M HILL or the Designated Shareholders' Agent may, by written notice to the other, turn the matter over for dispute resolution in accordance with Section 10.19 unless the amount of Damages at issue is in pending litigation with a third party, in which event arbitration shall not be commenced until such amount is ascertained or both parties agree to litigate.

#### **9.8 Defense of Third Party Claims.**

(a) In the event of the assertion or commencement by any Person of any claim or Legal Proceeding (whether against the Surviving Corporation, against CH2M HILL or against any other Person) with respect to which any of the Designated Shareholders may become obligated to hold harmless, indemnify, compensate or reimburse any Indemnitee pursuant to this Section 9, CH2M HILL shall have the right, at its election, to proceed with the defense of such claim or Legal Proceeding with counsel selected by CH2M HILL and reasonably satisfactory to the Designated Shareholders' Agent. CH2M HILL shall give the Designated Shareholders' Agent prompt notice of the commencement of any such Legal Proceeding against CH2M HILL or the Surviving Corporation; *provided, however*, that any failure on the part of CH2M HILL to so notify the Designated Shareholders' Agent shall not limit any of the obligations of the Designated Shareholders under this Section 9 (except to the extent such failure materially prejudices the defense of such Legal Proceeding). If CH2M HILL so proceeds with the defense of any such claim or Legal Proceeding:

(i) all reasonable expenses relating to the defense of such claim or Legal Proceeding shall be paid by CH2M HILL and reimbursed by the Designated Shareholders first under the right of setoff outlined in Section 9.7 and thereafter directly through cash reimbursements;

(ii) the Designated Shareholders' Agent and the Designated Shareholders shall be entitled to participate (at their own expense) in the defense of such Legal Proceeding;

(iii) each Designated Shareholder shall make available to CH2M HILL any documents and materials in his possession or control that may be necessary to the defense of such claim or Legal Proceeding; and

(iv) CH2M HILL shall have the right to settle, adjust or compromise such claim or Legal Proceeding at its own expense;

(b) If CH2M HILL elects not to assume the defense of such claim or Legal Proceeding, then the Designated Shareholders' Agent shall proceed diligently to defend such

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claim or Legal Proceeding with the assistance of counsel reasonably satisfactory to CH2M HILL. If the Designated Shareholders' Agent is required to defend such claim or Legal Proceeding in accordance with this provision, then:

(i) the Designated Shareholders' Agent shall keep CH2M HILL informed of all material developments and events relating to such claim or Legal Proceeding;

(ii) CH2M HILL and G&J shall make available to the Designated Shareholders' Agent all books, records and other documents and materials that are under the direct or indirect control of CH2M HILL, G&J or any affiliate of CH2M HILL or G&J and that the Designated Shareholders' Agent considers necessary or desirable for the defense of such claim or Legal Proceeding;

(iii) CH2M HILL and G&J shall execute such documents and take such other actions as the Designated Shareholders' Agent may reasonably request for the purpose of facilitating the defense of, or any settlement, compromise or adjustment relating to, such claim or Legal Proceeding;

(iv) CH2M HILL shall have the right to participate in the defense of such claim or Legal Proceeding at its own expense;

(v) the Designated Shareholders' Agent shall not settle, adjust or compromise such claim or Legal Proceeding, or admit any liability with respect to such claim or Legal Proceeding, without the prior written consent of CH2M HILL; *provided, however*, such consent shall not be unreasonably withheld; and

(vi) CH2M HILL may at any time (notwithstanding the fact that the Designated Shareholders' Agent has been required to assume the defense of such claim or Legal Proceeding) and upon reasonable notice assume the defense of such claim or Legal Proceeding with counsel selected by CH2M HILL and reasonably satisfactory to the Designated Shareholders' Agent.

(c) If a third party claim or Legal Proceeding is asserted in a stated amount of or has a potential of resulting in claimed liability of \$50,000 or less, then the Designated Shareholder's Agent shall have the right to defend or settle the claim, provided Designated Shareholders can demonstrate to satisfaction of CH2M HILL that they have funds available to defend or settle such claims and they place in escrow an amount equal to amount in controversy or an anticipated amount in controversy unless otherwise available in the setoff pool held by CH2M HILL pursuant to 1.5(c) and 9.7(a). In connection with such settlement or defense, the provisions of subsections 9.8(b)(i), (ii), (iii), (iv) and (v) shall apply. The provisions of this subsection 9.8(c), however, shall not apply if at the time the particular claim is asserted, the aggregate of all claims subject to CH2M HILL indemnity rights under Section 9 of this Agreement, including claims outstanding, the particular claim and all claims already settled exceeds 75% of the then remaining amounts payable to the Designated Shareholders pursuant to Section 1.5(c).

(d) Notwithstanding the foregoing provisions, regardless of who is defending a third party claim or Legal Proceeding, the Designated Shareholders' Agent shall have the right to settle any claim for an amount of \$20,000 or less without the consent of CH2M HILL, provided Designated Shareholders can demonstrate to satisfaction of CH2M HILL that they have funds available to defend or settle such claims and they place in escrow an amount equal to amount in controversy or an anticipated amount in controversy. If the claim is being defended by CH2M HILL and CH2M HILL refuses to allow settlement for \$20,000 or less (with the amount of the proposed settlement, the "Settlement Amount"), then the aggregate amount of liability of the Designated Shareholders under Section 9.2 shall be limited to the Settlement Amount plus all accrued fees and costs of CH2M HILL incurred up to the point it has received a notice from the Designated Shareholders' Agent that the claim can be settled for \$20,000 or less. The provisions of this subsection 9.8(d), however, shall not apply if at the time the particular claim is asserted, the aggregate of all claims subject to CH2M HILL indemnity rights under Section 9 of this Agreement, including claims outstanding, the particular claim and all claims already settled exceeds 75% of the then remaining amounts payable to the Designated Shareholders pursuant to Section 1.5(c).

**9.9 Exercise of Remedies by Indemnitees Other Than CH2M HILL.** No Indemnatee (other than CH2M HILL or any successor thereto or assign thereof) shall be permitted to assert any indemnification claim or exercise any other remedy under this Agreement unless CH2M HILL (or any successor thereto or assign thereof) shall have consented to the assertion of such indemnification claim or the exercise of such other remedy.

## **SECTION 10. MISCELLANEOUS PROVISIONS**

**10.1 Designated Shareholders' Agent.** The Designated Shareholders hereby irrevocably appoint Donald L. Goddeau as their agent for purposes of Section 9 and Section 10.5 (the "Designated Shareholders' Agent"), and Donald L. Goddeau hereby accepts his appointment as the Designated Shareholders' Agent; *provided that* the Designated Shareholders retain the right to replace the Designated Shareholders' Agent at any time, before or after Closing, by written notice to CH2M HILL, signed by at least 51% of the Designated Shareholders. CH2M HILL shall be entitled to deal exclusively with the Designated Shareholders' Agent on all matters relating to Section 9, and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed (or purported to be executed) on behalf of any Designated Shareholder by the Designated Shareholders' Agent, and on any other action taken (or purported to be taken) on behalf of any Designated Shareholder by the Designated Shareholders' Agent, as fully binding upon such Designated Shareholder. If the Designated Shareholders' Agent shall be replaced, die, become disabled or otherwise be unable to fulfill his responsibilities as agent of the Designated Shareholders, then the Designated Shareholders shall, within fifteen (15) days after such replacement, death or disability, appoint a successor agent and, promptly thereafter, shall notify CH2M HILL of the identity of such successor. Any such successor shall become the "Designated Shareholders' Agent" for purposes of Section 9 and this Section 10.1. If for any reason there is no Designated Shareholders' Agent at any time, all references herein to the Designated Shareholders' Agent shall be deemed to refer to the Designated Shareholders.

**10.2 Further Assurances.** Each party to this Agreement shall execute and cause to be delivered to each other party to this Agreement such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

### **10.3 Fees and Expenses.**

(a) Each party to this Agreement shall bear and pay all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by such party in connection with the transactions contemplated by this Agreement whether or not the Closing occurs, including all fees, costs and expenses incurred by such party in connection with or by virtue of

(i) the investigation and review conducted by CH2M HILL and its Representatives with respect to G&J's business (and the furnishing of information to CH2M HILL and its Representatives in connection with such investigation and review);

(ii) the negotiation, preparation and review of this Agreement (including the Disclosure Schedule) and all agreements, certificates, opinions and other instruments and documents delivered or to be delivered in connection with the transactions contemplated by this Agreement;

(iii) the preparation and submission of any filing or notice required to be made or given in connection with any of the transactions contemplated by this Agreement, and the obtaining of any Consent required to be obtained in connection with any of such transactions; and

(iv) the consummation of the Merger.

(b) Notwithstanding the foregoing, G&J shall be entitled to bear and pay such 3<sup>rd</sup> party legal and accounting fees and related expenses up to a maximum of \$100,000. If the amount of such 3<sup>rd</sup> party legal and accounting fees and expenses exceeds such limitation, such fees and expenses shall be paid from the consideration payable in accordance with Sections 1.5(a) and 1.5(b).

**10.4 Attorneys' Fees.** If any action or proceeding relating to this Agreement or the enforcement of any provision of this Agreement is brought against any party to this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

**10.5 Notices.** Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by facsimile) to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties to this Agreement):

**if to CH2M HILL:**

CH2M Hill, Inc.  
6060 S. Willow Drive  
Greenwood Village, Colorado 80111  
Attention: Chief Financial Officer  
Facsimile: 303-846-2443

**if to G&J:**

Gee & Jenson Engineers-Architects-Planners, Inc.  
One Harvard Circle  
West Palm Beach, Florida 33409  
Attention: Philip A. Crannell, Jr.  
Facsimile: (561) 515-6503

**with a copy to:**

Nason, Yeager, Gerson, White & Lioce, P.A.  
1645 Palm Beach Lakes Boulevard, Suite 1200  
West Palm Beach, Florida 33401

Attention: Domenick R. Lioce, Esquire  
Facsimile: (561) 686-5442

**if to Designated Shareholders' Agent:**

Donald L. Goddeau  
One Harvard Circle  
West Palm Beach, Florida 33409  
Facsimile: (561) 515-6502

**10.6 Confidentiality.** Without limiting the generality of anything contained in Section 5.4, on and at all times after the Closing Date, each Designated Shareholder shall keep confidential, and shall not use or disclose to any other Person, any non-public document or other non-public information in such Designated Shareholder's possession that relates to the business of G&J or CH2M HILL.

**10.7 Time of the Essence.** Time is of the essence of this Agreement.

**10.8 Headings.** The underlined headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

**10.9 Counterparts.** This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

**10.10 Governing Law.** This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Florida (without giving effect to principles of conflicts of laws).

**10.11 Successors and Assigns.** This Agreement shall be binding upon: G&J and its successors and assigns (if any); the Designated Shareholders and their respective personal representatives, executors, administrators, estates, heirs, successors and assigns (if any); CH2M HILL and its successors and assigns (if any); and Merger Sub and its successors and assigns (if any). This Agreement shall inure to the benefit of: G&J; G&J's shareholders (to the extent set forth in Section 1.5); CH2M HILL; Merger Sub; the other Indemnitees (subject to Section 9.9); and the respective successors and assigns (if any) of the foregoing. CH2M HILL may freely assign any or all of its rights under this Agreement (including its indemnification rights under Section 9), in whole or in part, to any affiliate of CH2M HILL prior to the Closing Date, and to any other Person following the Closing Date, without obtaining the consent or approval of any other party to this Agreement or of any other Person.

**10.12 Remedies Cumulative; Specific Performance.** The rights and remedies of the parties to this Agreement shall be cumulative (and not alternative). The parties to this Agreement agree that, in the event of any Breach or threatened Breach by any party to this

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Agreement of any covenant, obligation or other provision set forth in this Agreement for the benefit of any other party to this Agreement, such other party shall be entitled (in addition to any other remedy that may be available to it) to (a) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (b) an injunction restraining such Breach or threatened Breach.

#### **10.13 Waiver.**

(a) No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

**10.14 Amendments.** This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of all of the parties to this Agreement.

**10.15 Severability.** In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

**10.16 Parties in Interest.** Except for the provisions of Sections 1.5 and 9, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties to this Agreement and their respective successors and assigns (if any).

**10.17 Entire Agreement.** This Agreement and the other agreements referred to in this Agreement set forth the entire understanding of the parties relating to the subject matter of this Agreement and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter of this Agreement; *provided, however*, that the Mutual Non-Disclosure Agreement executed on behalf of CH2M HILL on September 25, 2001 and the Non-Disclosure Agreements executed on behalf of G&J on September 24, 2001 shall not be superseded by this Agreement and shall remain in effect in accordance with their terms until the earlier of (a) the Effective Time, or (b) the date on which such Mutual Non-Disclosure Agreements are terminated in accordance with their terms.



#### **10.18 Construction.**

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) The parties to this Agreement agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) As used in this Agreement, the words "include" and "including", and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) Except as otherwise indicated, all references in this Agreement to "Sections" and "Exhibits" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

**10.19 Dispute Resolution.** In the event of any dispute with respect to this Agreement, CH2M HILL, G&J and Designated Shareholders agree to follow these procedures:

(a) Upon the delivery of written notice of a declaration of dispute by one Party to the other Party or Parties, the Parties shall attempt to resolve the dispute amicably for a reasonable period not to exceed 30 calendar days;

(b) If Parties are unable to resolve the dispute amicably, then any Party to the dispute may submit the dispute, and the Parties hereby submit to the jurisdiction of the state or federal courts of competent jurisdiction located in Palm Beach County, Florida.

The parties to this Agreement have caused this Agreement to be executed and delivered as of December 31, 2001.

**CH2M HILL:**

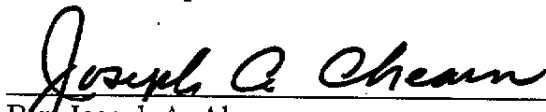
**CH2M HILL, INC.,**  
a Florida corporation



By: Samuel H. Iapalucci,  
Its: Chief Financial Officer

**MERGER SUB:**

**G&J ACQUISITION CORP.,**  
a Florida corporation

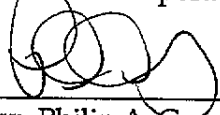


By: Joseph A. Ahearn  
Its: President

EXECUTION COPY

G&J:

GEE & JENSON ENGINEERS -  
ARCHITECTS - PLANNERS, INC.,  
a Florida corporation

  
By: Philip A. Crannell, Jr.  
Its: Chairman of the Board

Date 12/31/01

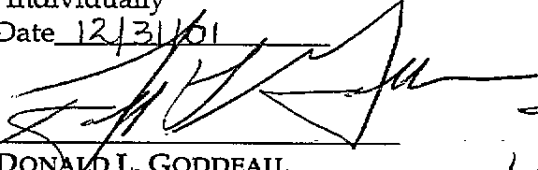
DESIGNATED SHAREHOLDERS:

Fred A. Greene

FRED A. GREENE,

Individually

Date 12/31/01

  
DONALD L. GODDEAU,

Individually

Date 12/31/01

  
JAMES D. DYAK,

Individually

Date 12/31/01

  
THOMAS C. ORLOWSKI,

Individually

Date 12/31/01

  
PHILIP A. CRANNELL, JR.,


Individually

Date 12/31/01

  
RUSSELL C. DEVICK,

Individually

Date 12/31/01

  
DAVID W. MOCK,

Individually

Date 12/31/01

Richard A. Krause

RICHARD A. KRAUSE,

Individually

Date 12/31/01