

Document Number Only

F51459

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

C T Corporation System.

Requestor's Name

660 East Jefferson Street

Address

Tallahassee, FL 32301

City

State

Zip

Phone

CORPORATION(S) NAME

Merger

Aladdin Ward Acquisition Corporation

merged into:

Aladdin Ward Electric & Air, Inc

700002519807-1
-15/12298-00020-007
*****70.00 *****70.00

- | | | |
|--|---|---|
| <input type="checkbox"/> Profit | <input type="checkbox"/> Amendment | <input checked="" type="checkbox"/> Merger |
| <input type="checkbox"/> NonProfit | | |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Dissolution/Withdrawal | <input type="checkbox"/> Mark |
| <input type="checkbox"/> Foreign | | |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Annual Report | <input type="checkbox"/> Other |
| <input type="checkbox"/> Reinstatement | <input type="checkbox"/> Reservation | <input type="checkbox"/> Change of R.A. |
| <input type="checkbox"/> Limited Liability Partnership | | <input type="checkbox"/> Fictitious Name |
| <input type="checkbox"/> Certified Copy | <input type="checkbox"/> Photo Copies | <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 | | |

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5/8/98

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THANKS
JOEY

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DIVISION OF CORPORATIONS

F5 1459

ARTICLES OF MERGER
Merger Sheet

MERGING: -----

ALADDIN WARD ACQUISITION CORPORATION, a Delaware corporation not
authorized to transact business in Florida

INTO

ALADDIN WARD ELECTRIC & AIR, INC., a Florida corporation, F51459.

File date: May 12, 1998

Corporate Specialist: Annette Hogan



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

Walk IN
Pick up

Annette,
Please backdate

May 12, 1998

CT Corporation System
660 East Jefferson St.
Tallahassee, FL 32301

SUBJECT: ALADDIN WARD ELECTRIC & AIR, INC.
Ref. Number: F51459

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98 MAY 12 PM 4:16
DIVISION OF CORPORATIONS

We have received your document for ALADDIN WARD ELECTRIC & AIR, INC. and your check(s) totaling \$70.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

Please attach the exhibits and schedules on page V or state that exhibits are not attached as they are relative only to agreement of merger and not the plan of merger.

If you have any questions concerning the filing of your document, please call (850) 487-6907.

Annette Hogan
Corporate Specialist

Letter Number: 698A00026299

RECEIVED
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DIVISION OF CORPORATIONS

**ARTICLES OF MERGER
OF
ALADDIN WARD ACQUISITION CORPORATION
WITH AND INTO
ALADDIN WARD ELECTRIC & AIR, INC.**

FILED
98 MAY 12 AM 11:14
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned corporations, pursuant to Section 607.1107 of the Florida Business Corporation Act (the "Florida Act") hereby execute the following Articles of Merger:

FIRST: The names of the corporations proposing to merge and the names of the states under the laws of which such corporations are organized are as follows:

<u>Name of corporation</u>	<u>State of incorporation</u>
Aladdin Ward Acquisition Corporation	Delaware
Aladdin Ward Electric & Air, Inc.	Florida

SECOND: The laws of the state under which such foreign corporation is organized permit such merger and such foreign corporation is complying with those laws in effecting the merger.

THIRD: The Florida corporation (which is the surviving corporation of the merger) complies with Section 607.1105 of the Florida Act (as set forth below).

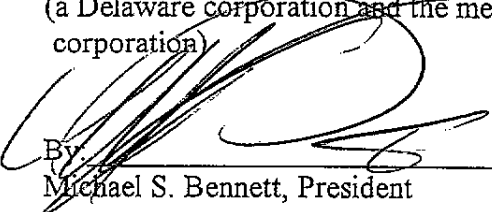
FOURTH: The Agreement and Plan of Merger is attached hereto as Exhibit A and incorporated herein by reference.

FIFTH: The effective date of the merger shall be the date on which these Articles of Merger are filed with the Florida Secretary of State.

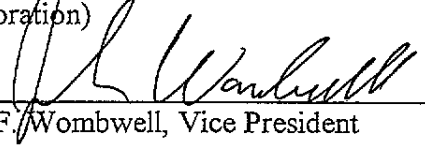
SEVENTH: The Agreement and Plan of Merger was adopted by the shareholders of Aladdin Ward Electric & Air, Inc., a Florida corporation, on the 11th day of May, 1998, and was adopted by the shareholders of Aladdin Ward Acquisition Corporation, a Delaware corporation, on the 11th day of May, 1998.

Signed this ____ day of May, 1998.

Aladdin Ward Acquisition Corporation
(a Delaware corporation and the merged
corporation)

By: 
Michael S. Bennett, President

Aladdin Ward Electric & Air, Inc.
(a Florida corporation and the surviving
corporation)

By: 
John F. Wombwell, Vice President

AGREEMENT AND PLAN OF MERGER

dated as of

May 11, 1998

among

INTEGRATED ELECTRICAL SERVICES, INC.

ALADDIN WARD ACQUISITION CORPORATION,

ALADDIN WARD ELECTRIC & AIR, INC.

MICHAEL S. BENNETT,

DIANE M. BENNETT

and

STEVEN C. BROWN

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Exhibits are not attached as they are relative only to agreement of merger and not the plan of merger.

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER ("Agreement") dated as of May 11, 1998 among Integrated Electrical Services, Inc., a Delaware corporation ("IES"), Aladdin Ward Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of IES ("Acquisition"), Aladdin Ward Electric & Air, Inc., a Florida corporation ("Company"), and Michael S. Bennett & Diane M. Bennett, as tenants by the entireties, and Steven C. Brown, the stockholders of the Company (the "Company Stockholders").

RECITALS:

WHEREAS, the Boards of Directors of IES and the Company have determined that the combination of IES and the Company is in the best interests of the stockholders of IES and the Company, respectively;

WHEREAS, the Company Stockholders desire to sell to IES all of the issued and outstanding shares of capital stock of the Company, free and clear of all liens, and the Company Stockholders agree to be bound by a covenant not to compete;

WHEREAS, IES desires to acquire such shares of capital stock of the Company as more fully set forth herein and enforce the covenant not to compete; and

WHEREAS, IES, the Company and the Company Stockholders intend the combination of IES and the Company to qualify as a tax-free reorganization under the provisions of Section 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

The Merger

Section 1.1. The Merger.

(a) Upon the execution of this Agreement and the delivery of the documents listed in Section 1.6, at the Effective Time (as hereinafter defined), Acquisition shall be merged (the "Merger") with and into the Company in accordance with the General Corporation Law of the State of Delaware ("Delaware Law") and the Florida Business Corporation Act ("Florida Law"), whereupon the separate existence of Acquisition shall cease, and the Company shall be the surviving corporation (the "Surviving Corporation").

(b) Immediately following the execution of this Agreement and the delivery of the documents listed in Section 1.6, the Company and Acquisition will file a certificate of merger (the "Certificate of Merger") with the Delaware Secretary of State and articles of merger (the "Articles of Merger") with the Florida Secretary of State and make all other filings or recordings required by Delaware Law and Florida Law in connection with the Merger. The Merger shall become effective at such time (the "Effective Time") as the Certificate of Merger and the Articles of Merger have been duly filed with the Delaware Secretary of State and the Florida Secretary of State, respectively (or at such later time as may be agreed in writing by the parties hereto and specified in the Certificate of Merger and Articles of Merger).

(c) From and after the Effective Time, the Surviving Corporation shall possess all the rights, assets, powers, privileges, and franchises and be subject to all of the obligations, liabilities, restrictions, and disabilities of the Company and Acquisition, all as provided under Delaware Law and Florida Law.

Section 1.2. Conversion of Shares. At the Effective Time:

(a) the shares of common stock, \$1.00 par value, of the Company ("Company Common Stock") outstanding immediately prior to the Effective Time shall be converted into the right to receive, without interest, (i) an aggregate of 107,096 shares of common stock, \$0.01 par value, of IES ("IES Common Stock") and (ii) \$500,000.00 in cash less the aggregate amount of any distributions in excess of \$650,000 made by the Company to the Company Stockholders between December 31, 1997 and the Effective Time (collectively, the "Merger Consideration"), and

(b) each share of common stock of Acquisition outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock of the Surviving Corporation with the same rights, powers, and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

Section 1.3. Surrender and Payment. At the Effective Time, the Company Stockholders will deliver to IES the certificates listed on Schedule 3.2(a) (the "Certificates") representing all of the outstanding shares of Company Common Stock and IES will deliver, in exchange therefor, the Merger Consideration divided among the Company Stockholders in accordance with the written instructions provided in Schedule 3.2(a). The Certificates will be duly endorsed (or accompanied by duly executed stock powers), with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange (the "NYSE").

Section 1.4. Withholding Rights. Each of the Surviving Corporation and IES shall be entitled to deduct and withhold from the consideration otherwise payable to any Person (as defined in Section 10.16) pursuant to this Article I such amounts as it is required to deduct and

withhold with respect to the making of such payment under any provision of federal, state, local, or foreign tax law. To the extent that amounts are so withheld by the Surviving Corporation or IES, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock in respect of which such deduction and withholding was made by the Surviving Corporation or IES, as the case may be.

Section 1.5. Lost Certificates. If any Certificate shall have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen, or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond, in such reasonable amount as the Surviving Corporation may direct, as indemnity against any claim that may be made against it with respect to such Certificate, IES will issue in exchange for such lost, stolen, or destroyed Certificate the Merger Consideration to be paid in respect of the shares of Company Common Stock represented by such Certificates as contemplated by this Article I.

Section 1.6. Other Documents to be Delivered Prior to the Effective Time.

(a) Upon the execution of this Agreement and immediately prior to the Effective Time, the Company and the Company Stockholders will deliver to IES:

(i) Employment Agreements (the "Employment Agreements"), each in the form attached hereto as **Exhibit A**, for each of the following employees of the Company: Michael S. Bennett & Steven C. Brown;

(ii) an opinion of counsel to the Company Stockholders in the form attached hereto as **Exhibit B**;

(iii) a Certificate of the Secretary of the Company in the form attached hereto as **Exhibit C**;

(iv) a release executed by the Company Stockholders in the form attached hereto as **Exhibit D**;

(v) the resignations of the directors of the Company in the form attached hereto as **Exhibit E**;

(vi) the minute book and corporate seal of the Company;

(vii) letters from the Affiliates (as defined in Section 10.16) of the Company in the form attached hereto as **Exhibit F**;

(viii) a receipt executed by the Company Stockholders in the form attached hereto as **Exhibit G**;

(ix) a cross-receipt executed by the Company Stockholders in the form attached hereto as **Exhibit H**; and

(x) evidence of termination of the Company's stockholders' agreement.

(b) Upon the execution of this Agreement and immediately prior to the Effective Time, IES will deliver to the Company Stockholders:

(i) the Employment Agreements executed by a duly authorized representative of IES on behalf of the Surviving Corporation for each of the employees listed in Section 1.6(a)(i) above;

(ii) an opinion of Boyer, Ewing & Harris Incorporated in the form attached hereto as **Exhibit I**; and

(iii) a cross-receipt executed by IES in the form attached hereto as **Exhibit H**.

Section 1.7. Approval of the Merger. The Company Stockholders, as the stockholders of the Company, by execution of this Agreement, hereby vote for, adopt, consent to and agree to the Merger pursuant to the terms of this Agreement. IES, as the sole stockholder of Acquisition, by execution of this Agreement, hereby votes for, adopts, consents to and agrees to the Merger pursuant to the terms of this Agreement.

ARTICLE II

The Surviving Corporation

Section 2.1. Certificate of Incorporation. The articles of incorporation of the Company in effect at the Effective Time shall be the articles of incorporation of the Surviving Corporation until amended in accordance with applicable law.

Section 2.2. Bylaws. The Bylaws of the Company in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

Section 2.3. Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with applicable law, (i) the director of Acquisition at the Effective Time shall be the sole director of the Surviving Corporation and (ii) the Officers of the Surviving Corporation shall be as set forth on Schedule 2.3 hereto.

ARTICLE III

Representations and Warranties of the Company Stockholders

The Company Stockholders jointly and severally represent and warrant to IES as follows:

Section 3.1. Organization and Qualification. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation and has the requisite corporate power to carry on its business as it is now being conducted. The Company has no Subsidiaries. The Company does not do business in any jurisdiction outside of the State of Florida. The Company has heretofore delivered to IES true and complete copies of the articles or certificate of incorporation and bylaws of the Company, in each instance including any amendments thereto, as currently in effect.

Section 3.2. Capitalization; Ownership. (a) The authorized capital stock of the Company consists of 1,000 shares of Company Common Stock of which 1,000 shares are issued and outstanding (the "Company Shares"). The Company Shares are all of the issued and outstanding shares of capital stock of the Company and have been duly authorized and validly issued, are fully paid and nonassessable and were not issued in violation of any preemptive rights. There are not, as of the date hereof, any outstanding or authorized subscriptions, options, warrants, calls, rights, commitments, or any other agreements of any character (any of the foregoing, a "Commitment") obligating the Company to issue any additional shares of capital stock of the Company, or any other securities convertible into or evidencing the right to subscribe for any shares of capital stock of the Company. The Company Stockholders own the respective number of shares of Company Common Stock set forth on Schedule 3.2(a) attached hereto, free and clear of all Liens (as defined in Section 10.16). Each Company Stockholder has full legal right, power and authority to exchange, assign and transfer or cause to be exchanged, assigned or transferred his shares of Company Common Stock. The delivery to IES of the Company Shares pursuant to the terms of this Agreement will transfer valid title thereto, free and clear of all Liens.

(b) Schedule 3.2(b) sets forth the securities of any corporation owned by the Company, as well as the names of any joint venture, partnership or other noncorporate entity in which the Company is a participant. Also set forth in Schedule 3.2(b) is a listing of all names under which the Company has done business, as well as the names of all predecessors of the Company, including the names of any entities from whom the Company previously acquired significant assets.

Section 3.3. Authorization. The Company has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement. The Company Stockholders and the Board of Directors of the Company have by unanimous written consent (a) determined that participating in the Merger is in the best interests of the Company and its stockholders and (b) approved this Agreement and the Merger.

No other corporate proceedings on the part of the Company or the Company Stockholders are necessary to authorize the execution and delivery of this Agreement or the consummation by the Company and the Company Stockholders of the transactions contemplated hereby. This Agreement has been duly authorized, executed, and delivered by the Company and the Company Stockholders and constitutes the valid and binding obligation of the Company and the Company Stockholders, enforceable against the Company and the Company Stockholders in accordance with its terms.

Section 3.4. Consents and Approvals: No Violation. Neither the execution and delivery of this Agreement by the Company or the Company Stockholders, nor the consummation by the Company or the Company Stockholders of the transactions contemplated by this Agreement, will: (a) require any consent, approval, authorization, or permit of, or filing with or notification to, any Governmental Authority (as defined in Section 10.16), except (i) the filing of a Certificate of Merger in accordance with Delaware Law and Articles of Merger in accordance with Florida Law, (ii) any regulatory approvals or routine governmental consents normally acquired after the consummation of transactions such as transactions of the nature contemplated by this Agreement, which consents and approvals are listed on Schedule 3.4, or (iii) where the failure to obtain such consent, approval, authorization, or permit, or to make such filing or notification, is not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect (as defined in Section 10.16) or prevent or delay, in any material respect, the consummation of the transactions contemplated by this Agreement; (b) violate, conflict with, or result in a breach or default under any provision of the Certificate or Articles of Incorporation or Bylaws of the Company, (c) result in a default (or give rise to any right of termination, cancellation, or acceleration) under any of the terms, conditions, or provisions of any contract, commitment or similar agreement to which the Company is a party, except (i) as set forth on Schedule 3.4 or (ii) for such defaults (or rights of termination, cancellation, or acceleration) as to which requisite waivers or consents have been obtained or which are not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect or prevent or delay, in any material respect, the consummation of the transactions contemplated by this Agreement; or (d) assuming compliance with the matters referred to in Section 3.4(a), violate any order, writ, injunction, decree, statute, rule, or regulation applicable to the Company or any of its assets, except for violations which are not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect or prevent or delay, in any material respect, the consummation of the transactions contemplated by this Agreement.

Section 3.5. Affiliate Relationships. Except as set forth on Schedule 3.5, none of the Company Stockholders nor any Affiliate of any of the Company Stockholders, and no director, officer, employee or agent of or consultant to the Company owns, directly or indirectly, in whole or in part, any property, assets or right, tangible or intangible, which is associated with any property, asset or right owned by the Company or which the Company is operating or using or the use of which is necessary for its business. Also included in Schedule 3.5 is disclosure of any relationships which any Company Stockholder has, or any director, officer, employee, or agent of or consultant to the Company has, with the Company or any other corporation, partnership,

firm, association or business organization, entity or enterprise which is a competitor, potential competitor, supplier or customer of the Company. The Persons named on Schedule 3.5 are the only Persons who may be deemed Affiliates of the Company under Rule 145 of the Securities Act of 1933, as amended (the "1933 Act").

Section 3.6. Financial Statements. Attached as Schedule 3.6 are (a) the reviewed consolidated balance sheet, statement of income and statement of cash flows of the Company as of and for the years ended December 31, 1995, 1996 and 1997 (the "Company Reviewed Financial Statements") and (b) the non-reviewed consolidated balance sheet, statement of income and statement of cash flows of the Company as of and for the months ended March 31, 1998 (the "Company Non-reviewed Financial Statements"). The Company Reviewed Financial Statements and the Company Non-reviewed Financial Statements present fairly the consolidated financial position, results of operations, and changes in financial position of the Company as of the respective dates or for the respective periods to which they apply in accordance with United States generally accepted accounting principles, consistently applied ("GAAP").

Section 3.7. Undisclosed Liabilities. Schedule 3.7 sets forth an accurate list as of the Company Non-reviewed Balance Sheet Date (as defined below) of (i) all liabilities of the Company which are reflected in the balance sheet contained in the Company Non-reviewed Financial Statements and (ii) any liabilities of any kind of the Company which are not reflected in the balance sheet included in the Company Non-reviewed Financial Statements. Except as set forth on Schedule 3.7 or as reflected, reserved against, or otherwise disclosed in the Company Non-reviewed Financial Statements, the Company did not have, at the date of the non-reviewed balance sheet included in the Company Non-reviewed Financial Statements (the "Company Non-reviewed Balance Sheet Date") and does not have, at the date hereof, any liabilities or obligations, whether accrued, contingent, absolute, determined, determinable or otherwise, that may have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.8. Accounts and Notes Receivables. Schedule 3.8 sets forth an accurate list as of the Company Non-reviewed Balance Sheet Date of the accounts and notes receivable of the Company, including receivables from and advances to employees of the Company and employees of the Company Stockholders. Included in Schedule 3.8 is an aging of all accounts and notes receivable showing amounts due in 30-day aging categories. The trade and other accounts receivable of the Company which are classified as current assets on the balance sheet as of the Company Non-reviewed Balance Sheet Date are bona fide receivables, were acquired in the ordinary course of business, are stated in accordance with GAAP and, subject to the reserve for doubtful accounts, need not be written-off as uncollectible. Except to the extent reflected on Schedule 3.8, such accounts and notes are collectible in the amount shown on Schedule 3.8.

Section 3.9. Assets. Schedule 3.9 sets forth an accurate list of all real and personal property and all other tangible assets of the Company with a value in excess of \$5,000 (i) owned by the Company as of the Company Non-reviewed Balance Sheet Date and (ii) acquired since the Company Non-reviewed Balance Sheet Date, including in each case true, complete and correct

copies of leases for significant equipment and for all real property leased by the Company and descriptions of all real property on which buildings, warehouses, workshops, garages and other structures used in the operation of the business of the Company are situated. Schedule 3.9 indicates which assets are currently owned, or were formerly owned, by the Company Stockholders or Affiliates of the Company or the Company Stockholders. Except as specifically identified on Schedule 3.9, all of the tangible assets, vehicles and other significant machinery and equipment of the Company listed on Schedule 3.9 are in good working order and condition, ordinary wear and tear excepted, and have been maintained in accordance with standard industry practices. All fixed assets used by the Company that are material to the operation of the Company's business are either owned by the Company or leased under an agreement identified on Schedule 3.9. All leases set forth on Schedule 3.9 are in full force and effect and constitute valid and binding agreements of the parties thereto in accordance with their respective terms.

Schedule 3.9 contains true, complete and correct copies of all title reports and title insurance policies received or owned by the Company. Schedule 3.9 also includes a summary description of all plans or projects involving the opening of new operations, expansion of existing operations or the acquisition of any real property or existing business, to which management of the Company has devoted effort or expenditure in the two-year period prior to the date of this Agreement, which if pursued by the Company would require additional expenditures of capital.

The Company has good and indefeasible title to the tangible and intangible personal property and the real property owned and used in its business, including the properties identified on Schedule 3.9, subject to no mortgage, pledge, lien, claim, conditional sales agreement, encumbrance or charge, except for liens reflected on Schedule 3.9, liens for current taxes not yet payable and assessments not in default, easements for utilities serving only the property, and easements, covenants and restrictions and other exceptions to title shown of record in the appropriate public records in the jurisdictions in which the properties, assets and leasehold estates are located, which do not adversely affect the Company's use of the property.

Section 3.10. Material Contracts, Commitments and Customers. Schedule 3.10 sets forth an accurate list as of the Company Non-reviewed Balance Sheet Date of (i) all material contracts, commitments and similar agreements to which the Company is a party or by which it or any of its property is bound (including, but not limited to, joint venture or partnership agreements, contracts with any labor organizations, loan agreements, indemnity or guaranty agreements, bonds, mortgages, liens, pledges or other security agreements and the Company Stockholders have delivered true copies of such agreements to IES and (ii) all customers representing 5% or more of the Company's revenues, taken as a whole, in any of the periods covered by the Company Reviewed Financial Statements or the Company Non-reviewed Financial Statements. Except as disclosed on Schedule 3.10, all such agreements are in full force and effect and none of such contracts or agreements unduly burdens or restricts the Company in the ordinary course of its business. None of the Company's suppliers have canceled service or products, as appropriate. Except to the extent set forth on Schedule 3.10, (i) the Company has complied with all material commitments and obligations and are not in default under any contracts and

agreements and no notice of default has been received and (ii) none of the Company's customers listed pursuant to (ii) above has canceled or substantially reduced or is currently attempting or threatening to cancel or substantially reduce its use of the Company's products or services. Except as set forth on Schedule 3.10, the Company is not now, nor has it ever been, a party to any contracts subject to price redetermination or renegotiation.

Section 3.11. Operating Authority. The Company and/or individual employees of the Company, as applicable, possess all material governmental licenses, permits, franchises, and other authorizations of any Governmental Authority ("Licenses") that are necessary to the ownership or operation of the Company's businesses as currently conducted, and all such Licenses are in full force and effect, except where the failure to possess any License or the failure of such License to be in full force and effect is not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect, and neither the Company nor, to the Company Stockholders' Knowledge, any such individual employee is in default in any respect relating thereto. No proceeding is pending or, to the Company Stockholders' Knowledge (as defined in Section 10.16), threatened seeking the revocation or limitation of any such License where such revocation or limitation could reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Schedule 3.11 sets forth an accurate list and summary description as of the Company Non-reviewed Balance Sheet Date of all Licenses, certificates, trademarks, trade names, patents, patent applications and copyrights related to the assets owned or held by the Company. The Licenses and other rights listed on Schedule 3.11 are valid, and the Company has not received any notice that any person intends to cancel, terminate or not renew any such License or other right. The Company has conducted and is conducting its business in compliance in all material respects with the requirements, standards, criteria and conditions set forth in the Licenses and other rights listed on Schedule 3.11 and is not in violation of any of the foregoing in any material respect. Except as specifically provided in Schedule 3.11, the consummation of the transactions contemplated by this Agreement will not result in a default under or a breach or violation of, or adversely affect the rights and benefits afforded to the Company by any such Licenses or other rights.

Section 3.12. Bank Account Information. Schedule 3.12 contains an accurate list of the names and addresses of every bank and other financial institution in which Company maintains an account (whether checking, savings or otherwise), lock box, or safe deposit box, and the account numbers and persons having signature authority or legal access thereto.

Section 3.13. Conduct of Business Since Company Non-reviewed Balance Sheet Date. Except as expressly contemplated by this Agreement and except as set forth on Schedule 3.13, since the Company Non-reviewed Balance Sheet Date, (a) the business and operations of the Company have been conducted in the ordinary and usual course in all material respects in accordance with past practices, (b) except for distributions of accumulated S Corporation earnings not to exceed \$1,150,000, as contemplated in Section 1.2(a)(ii), the Company has not paid or

declared any dividend on, or made any distribution with respect to, or purchased or redeemed any of its capital stock, or paid any bonus to any Company Officer or Affiliate and (c) no Company Material Adverse Effect has occurred and is continuing.

Section 3.14. Litigation: Orders. Except as set forth on Schedule 3.14, as of the date hereof, there are no Actions (as defined in Section 10.16) pending or, to the Company Stockholders' Knowledge, threatened against the Company. Except as set forth on Schedule 3.14, as of the date hereof there are no judgments or outstanding orders, injunctions, decrees, stipulations, or awards (whether rendered by a court or administrative agency or by arbitration) against the Company.

Section 3.15. Labor Matters. Except as set forth on Schedule 3.15, there are no agreements with labor unions or associations representing employees of the Company. No material work stoppage against the Company is pending or, to the Company Stockholders' Knowledge, threatened. The Company has not been or is involved in or, to the Company Stockholders' Knowledge, threatened with any labor dispute, arbitration, lawsuit, or administrative proceeding relating to labor matters involving the employees of the Company (excluding routine workers' compensation claims) that is reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.16. Compliance with Laws. The conduct of the business by the Company complies with all statutes, laws, regulations, ordinances, rules, judgments, orders, or decrees applicable thereto (other than Environmental Laws (as hereinafter defined) which are governed solely by Section 3.18), except for violations or failures so to comply, if any, that would not have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.17. Insurance. Schedule 3.17 sets forth a list of all insurance policies issued in favor of the Company which relate to its businesses, and all such policies are currently in force and effect. True and complete copies of all such policies have been delivered to IES. Attached to Schedule 3.17 is a complete list of all insurance loss runs and workers' compensation claims received for the past three policy years. The insurance carried by the Company, which the Company Stockholders believe to be adequate in character and amount, is with financial sound and reputable insurers unaffiliated with the Company Stockholders or the Company. None of such policies is a "claims made" policy. The Company's insurance has never been canceled and the Company has never been denied coverage or experienced a substantial increase in premiums or substantial reduction in coverage from one policy period to the next period.

Section 3.18. Environmental Matters. Other than violations that would not have, individually or in the aggregate, a Company Material Adverse Effect, the Company are in compliance with all applicable Environmental Laws (as defined below). Without limitation of the foregoing, there are no past, existing, pending or, to the Company Stockholders' Knowledge threatened actions, suits, investigations, inquiries, proceedings or clean-up obligations by or to any Governmental Authority relating to any Environmental Laws with respect to the Company

, except for actions, suits, investigations, inquiries, proceedings, and obligations that would not have, individually or in the aggregate, a Company Material Adverse Effect. All notices, permits, or similar authorizations, if any, required to be obtained or filed in connection with the operations of the Company, including, without limitation, treatment, storage, disposal, or release of a hazardous substance or solid waste into the environment, have been duly obtained or filed, other than any such notices, permits, or similar authorizations the failure of which to obtain or file is not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. To the Company Stockholders' Knowledge, there are no underground storage tanks on, in or under any properties owned by the Company and no underground storage tanks have been closed or removed from any of such properties during the time such properties were owned, leased or operated by the Company which are not listed on Schedule 3.18. To the Company Stockholders' Knowledge there is no asbestos or asbestos-containing material present in any of the properties owned by the Company, and no asbestos has been removed from any of such properties during the time such properties were owned, leased or operated by the Company. Neither the Company nor any of its respective properties are subject to any material liabilities or expenditures (fixed or contingent) relating to any suit, settlement, court order, administrative order, regulatory requirement, judgment or claim asserted or arising under any Environmental Law. The term "release" has the meaning specified in CERCLA (as hereinafter defined), and the term "disposal" (or "disposed") has the meaning specified in RCRA (as hereinafter defined). For the purposes hereof, "Environmental Laws" shall mean any and all laws, statutes, ordinances, rules, regulations, orders, or determinations of any Governmental Authority pertaining to the environment in effect on the date of this Agreement and in effect at such time in any and all jurisdictions in which the Company operates, including, without limitation, the Clean Air Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"), the Federal Water Pollution Control Act, as amended, the Resource Conservation and Recovery Act, as amended ("RCRA"), the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, comparable state and local laws and other material environmental protection laws in effect on the date of this Agreement. Schedule 3.18 lists all disposal sites which the Company has utilized as of the Company Non-reviewed Balance Sheet Date.

Section 3.19. Taxes. (a) (i) Except as set forth on Schedule 3.19, the Company has filed when due all material Company Returns (as defined in Section 10.16), and has, except for Taxes (as defined below) that are being contested in good faith and set forth on Schedule 3.19, timely paid and discharged all Tax obligations shown thereon, (ii) the Company Returns correctly and accurately reflect the facts regarding the income, business and assets, operations, activities, status, or other matters of the Company, and any other information required to be shown thereon, and are not subject to penalties under Section 6662 of the Code, relating to accuracy-related penalties, or any corresponding provision of applicable state, local, or foreign Tax law or any predecessor provision of law, and (iii) the Company has not received any notice of any Tax deficiency outstanding, proposed, or assessed against or allocable to it, nor has it executed any waiver of any statute of limitations on the assessment or collection of any Tax, or executed or filed with the Internal Revenue Service or any other governmental body any agreement now in effect extending

the period for assessment or collection of any Taxes against the Company . For purposes of this Agreement, "Tax" or "Taxes" means taxes of any kind, levies, or other like assessments, customs, duties, imposts, charges, or fees, including, without limitation, income, gross receipts, ad valorem, value added, excise, real or personal property, asset, sales, use, license, payroll, transaction, capital, net worth and franchise taxes, estimated taxes, withholding, employment, social security, workers compensation, utility, severance, production, unemployment compensation, occupation, premium, windfall profits, transfer, and gains taxes or other governmental taxes imposed or payable to the United States, or any state, county, local, or foreign government or subdivision or agency thereof, and in each instance such term shall include any interest, penalties, or additions to tax attributable to any such Tax, including penalties for the failure to file any Tax return or report.

(b) Except for the group of which the Company is currently the parent, the Company has not ever been a member of an affiliated group of corporations, within the meaning of Section 1504 of the Code, other than as a common parent corporation.

(c) None of the assets of the Company is property that the Company is required to treat as being owned by any other Person pursuant to the "safe harbor lease" provisions of former Section 168(f)(8) of the Code.

(d) None of the assets of the Company directly or indirectly secures any debt the interest on which is tax-exempt under Section 103(a) of the Code.

(e) None of the assets of the Company is "tax exempt use property" within the meaning of Section 168(h) of the Code.

(f) The Company has not agreed to make, nor is it required to make, any adjustment under Section 481(a) of the Code by reason of a change in accounting method or otherwise.

(g) The Company has not participated in, nor will it participate in, an international boycott within the meaning of Section 999 of the Code.

(h) The Company has not or had a permanent establishment in any foreign country, as defined in any applicable tax treaty or convention between the United States and such foreign country.

(i) The Company has not filed a consent pursuant to the collapsible corporation provisions of Section 341(f) of the Code (or any corresponding provision of state, local, or foreign income tax law) or agreed to have Section 341(f)(2) of the Code (or any corresponding provision of state, local, or foreign income tax law) apply to any disposition of any asset owned by it.

Section 3.20. Employee Benefit Plans. Schedule 3.20 contains a list of all “employee pension benefit plans” (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) (sometimes referred to herein as “Company Pension Plans”), “employee welfare benefit plans” (as defined in Section 3(1) of ERISA, hereinafter a “Company Welfare Plan”), stock option, stock purchase, incentive, bonus, deferred compensation plans or arrangements, vacation, change in control, stay-on bonus plans or arrangements, and other material employee compensation and fringe benefit plans or agreements, maintained, contributed to, or pursuant to which the Company has any liability (all the foregoing being herein called “Company Benefit Plans”). The Company has delivered to IES an accurate list (which is set forth on Schedule 3.20) showing all officers, directors and key employees of the Company, listing all employment agreements with such officers, directors and key employees and the rate of compensation (and the portions thereof attributable to salary, bonus and other compensation, respectively) of each of such persons as of (i) December 31, 1997 and (ii) the date hereof. The Company has provided to IES true, complete and correct copies of any employment agreements for persons listed on Schedule 3.20. Since December 31, 1997, except as disclosed on Schedule 3.20, there have been no increases in the compensation payable or any special bonuses to any officer, director, key employee or other employee, except ordinary salary increases implemented on a basis consistent with past practices. The Company has made available to IES true, complete, and correct copies of (i) each Company Benefit Plan and any subsequently adopted amendments thereto (or, in the case of unwritten Company Benefit Plans, descriptions thereof), (ii) the most recent annual report on Form 5500 filed with respect to each Company Benefit Plan (if any such report was required), (iii) the most recent summary plan description for each Company Benefit Plan for which such a summary plan description is required (with all summaries of material modifications provided after the most recent summary plan description was distributed), (iv) each trust agreement and group annuity contract relating to any Company Benefit Plan and (v) each favorable determination letter from the Internal Revenue Service with respect to each Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code.

(b) All Company Benefit Plans are and have been administered in compliance with their terms and all applicable laws, including, without limitation, ERISA and the Code, except where the failure to so administer the Company Benefit Plans or to comply with such laws is not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. There are no pending or, to the Company Stockholders’ Knowledge, threatened investigations by any governmental entity, termination proceedings, or other claims, suits or proceedings against or involving any Company Benefit Plan or asserting any rights or claims to benefits under any Company Benefit Plan that are reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. All such plans listed on Schedule 3.20 that are intended to qualify (the “Qualified Plans”) under Section 401 (a) of the Code are, and have been so qualified and have been determined by the Internal Revenue Service to be so qualified, and copies of such determination letters are attached to Schedule 3.20. Except as disclosed on Schedule 3.20, all reports and other documents required to be filed with any governmental agency or distributed to plan participants or beneficiaries (including, but not limited to, actuarial reports,

audits or tax returns) have been timely filed or distributed, and copies thereof are included as part of Schedule 3.20 hereof.

(c) All contributions to, and payments from, the Company Benefit Plans required to be made in accordance with the Company Benefit Plans have been timely made, other than contributions or payments the failure of which to make are not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. All accrued contribution obligations of the Company with respect to any Company Benefit Plan have either been fulfilled in their entirety or are fully reflected on the balance sheet in the Company Reviewed Financial Statements.

(d) No Company Benefit Plan is subject to Section 302 or Title IV of ERISA or Section 412 of the Code or is a "multi-employer plan" within the meaning of Section 4001 (a)(3) of ERISA.

(e) (i) No "prohibited transaction" (under Section 4975 of the Code or Section 406 of ERISA) has occurred with respect to any Company Benefit Plan and (ii) there has been no breach of any fiduciary duty with respect to any Company Benefit Plan, other than, in the case of (i) and (ii), those that are not reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(f) Neither the Company maintains or contributes to any Company Benefit Plan which could not be terminated by the Company without material liability.

Section 3.21. Brokerage Fees and Commissions. Except as set forth on Schedule 3.21, neither the Company nor any Company Stockholder has incurred any obligation or entered into any agreement for any investment banking, brokerage or finder's fee, or commission in respect of the transactions contemplated by this Agreement for which IES, Acquisition or the Company shall incur any liability.

Section 3.22. Tax Treatment. Neither the Company nor, to the Company Stockholders' Knowledge, any of its Affiliates has taken, has agreed or failed to take, or intends to take any action or has any knowledge of any fact or circumstance that would prevent the Merger from qualifying as a reorganization within the meaning of Section 368 of the Code (a "368 Reorganization").

Section 3.23. Tax Status. The Company is an "S Corporation" as described in Section 1361(a)(1) of the Code and has never incurred any federal income tax liability.

ARTICLE IV

Representations and Warranties of IES

IES represents and warrants to the Company Stockholders as follows:

Section 4.1. Organization and Qualification. Each of IES and Acquisition is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, and IES has the requisite corporate power to carry on its business as it is now conducted. IES is duly qualified to conduct business as a foreign corporation in each jurisdiction in which its ownership or leasing of property or the conduct of its business and operations makes such qualification necessary, except for such jurisdictions in which IES's failure to be so qualified is not reasonably expected to have, individually or in the aggregate, an IES Material Adverse Effect (as defined in Section 10.16).

Section 4.2. Capitalization. (a) The authorized capital stock of IES consists of 100,000,000 shares of IES Common Stock, 2,655,709 shares of restricted common stock and 10,000,000 shares of preferred stock. As of March 31, 1998, there were outstanding 21,759,627 shares of IES Common Stock, 2,655,709 shares of restricted common stock, and no shares of preferred stock. All outstanding shares of capital stock of IES have been duly authorized and validly issued and are fully paid and non-assessable and free of preemptive rights.

(b) The shares of IES Common Stock to be issued as the Merger Consideration have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will have been validly issued and will be fully paid and non-assessable, and the issuance thereof is not subject to any preemptive or other similar right.

Section 4.3. Authorization. The execution, delivery and performance by IES of this Agreement, and the consummation by IES and Acquisition of the transactions contemplated hereby, are within the corporate powers of IES and Acquisition and have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by IES and Acquisition and constitutes the valid and binding obligation of IES and Acquisition enforceable against IES and Acquisition in accordance with its terms.

Section 4.4. Consents and Approval; No Violation. Neither the execution and delivery of this Agreement by IES and Acquisition, nor the consummation by IES and Acquisition of the transactions contemplated by this Agreement, will: (a) require any consent, approval, authorization, or permit of, or filing with or notification to, any Governmental Authority, except (i) the filing of a certificate of merger in accordance with Delaware Law and the filing of articles of merger in accordance with Florida Law, (ii) compliance with any applicable requirements of the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), and foreign or state securities or Blue Sky laws, (iii) any regulatory approvals or routine governmental consents normally acquired after the consummation of transactions such as transactions of the nature contemplated by this Agreement, or (iv) where the failure to obtain such consent, approval, authorization, or permit, or to make such filing or notification, is not reasonably expected to have, individually or in the aggregate, an IES Material Adverse Effect or prevent or delay, in any material respect, the consummation of the transactions contemplated by this Agreement; (b) result

in a default (or give rise to any right of termination, cancellation, or acceleration) under any of the terms, conditions, or provisions of any agreement or other instrument binding upon IES or any of its Subsidiaries (as defined in Section 10.16), except for such defaults (or rights of termination, cancellation, or acceleration) as to which requisite waivers or consents have been obtained or which are not reasonably expected to have, individually or in the aggregate, an IES Material Adverse Effect or prevent or delay, in any material respect, the consummation of the transactions contemplated by this Agreement; or (c) assuming compliance with the matters referred to in Section 4.4(a), violate any order, writ, injunction, decree, statute, rule, or regulation applicable to IES or any of its Subsidiaries or any of their assets, except for violations which are not reasonably expected to have, individually or in the aggregate, an IES Material Adverse Effect or prevent or delay, in any material respect, the consummation of the transactions contemplated by this Agreement.

Section 4.5. SEC Filings. (a) IES has filed with the Securities and Exchange Commission ("SEC") all material forms, statements, reports and documents (the "IES SEC Filings") required to be filed by it under the 1934 Act and the rules and regulations thereunder.

(b) As of its filing date, each IES SEC Filing complied as to form in all material respects with the applicable requirements of the 1934 Act.

(c) As of its filing date, each IES SEC Filing filed pursuant to the 1934 Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) IES has previously delivered to the Company Stockholders copies of IES's prospectus, dated April 30, 1998, as supplemented (the "Prospectus"). As of its date, the Prospectus did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 4.6. Tax Treatment. Neither IES nor, to IES's Knowledge, any of its Affiliates has taken, has agreed or failed to take, or intends to take any action or has any knowledge of any fact or circumstance that would prevent the Merger from qualifying as a 368 Reorganization if consummated in accordance with this Agreement.

ARTICLE V

Additional Covenants and Agreements

Section 5.1. Reasonable Best Efforts. Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to take, or cause to be taken, all actions

and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

Section 5.2. Certain Filings. The Company and IES shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals, or waivers are required to be obtained from parties to any material agreements, in connection with the consummation of the transactions contemplated by this Agreement and (ii) in taking such actions or making such filings, furnishing information required in connection therewith and seeking timely to obtain such actions, consents, approvals, or waivers.

Section 5.3. Public Announcements. Without the prior consent of the other, which consent shall not be unreasonably withheld, neither the Company nor the Company Stockholders will issue, or permit any agent or Affiliate to issue, any press releases or otherwise make or permit any agent or Affiliate to make, any public statements with respect to this Agreement or the transactions contemplated by this Agreement.

Section 5.4. Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of the Company or Acquisition, any deeds, bills of sale, assignments, or assurances and to take and do, in the name and on behalf of the Company or Acquisition, any other actions and things to vest, perfect, or confirm of record or otherwise in the Surviving Corporation any and all right, title, and interest in, to, and under any of the rights, properties, or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

Section 5.5. Notices of Certain Events. Each of the Company, the Company Stockholders and IES shall promptly notify the other parties hereto of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(c) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to, or involving or otherwise affecting such party that relate to the consummation of the transactions contemplated by this Agreement; and

(d) any material failure on its part to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided,

however, that the delivery of any notice pursuant to this Section 5.5(d) shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

Section 5.6. Release from Guarantees. Following the Effective Time, IES and the Surviving Corporation shall use reasonable efforts to have the Company Stockholders released from the personal guarantees of the Company's indebtedness identified on Schedule 5.6. In the event that IES cannot obtain releases of any such guarantees on or prior to one hundred and twenty (120) days subsequent to the Effective Time, IES shall pay off or otherwise refinance or retire such indebtedness.

Section 5.7. Future Cooperation; Tax Matters. The Company Stockholders and IES shall each deliver or cause to be delivered to the other following the Effective Time such additional instruments as the other may reasonably request for the purpose of fully carrying out this Agreement. The Company Stockholders will cooperate and use their reasonable best efforts to have the present officers, directors and employees of the Company cooperate with IES at and after the Effective Time in furnishing information, evidence, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes of any nature with respect to matters pertaining to all periods prior to the Effective Time.

Section 5.8. Expenses. IES and Company Stockholders will each pay their own fees, expenses and disbursements of their respective agents, representatives, accountants and counsel incurred in connection with the execution, delivery and performance of this Agreement and any amendment thereto.

Section 5.9. Repayment of Related Party Indebtedness. Concurrently with the execution of this Agreement, (i) the Company Stockholders shall repay to the Company all amounts outstanding as advances to or receivables from the Company Stockholders and (ii) the Company shall repay all amounts outstanding under loans to the Company from the Company Stockholders. Such advances, receivables and loans, and the amounts thereof, are listed on Schedule 5.9.

ARTICLE VI

Indemnification

The Company Stockholders and IES each make the following covenants:

Section 6.1. Indemnification by the Company Stockholders. The Company Stockholders covenant and agree that they, jointly and severally, will indemnify, defend, protect, and hold harmless IES, the Company, and the Surviving Corporation, and their respective officers, directors, employees, stockholders, agents, representatives, and Affiliates (the "IES Indemnitees") at all times from and after the date of this Agreement from and against all claims, damages, losses, liabilities (joint or several), obligations, penalties, defenses, actions, lawsuits,

proceedings, judgments, demands, assessments, adjustments, costs, and expenses (including specifically, but without limitation, fees, disbursements, and expenses of attorneys, accountants, other professional advisors and of expert witnesses and costs of investigation and preparation) (collectively, "Expenses"), directly or indirectly resulting from, relating to or arising out of:

(a) any breach of or inaccuracy in, or any allegation or claim by a third party which if true would constitute a breach of or inaccuracy in, any representation or warranty set forth herein or in the Schedules or certificates delivered in connection herewith;

(b) any breach or non-performance, partial or total, by the Company or any Company Stockholder of any covenant or agreement of the Company (or any Affiliate or subsidiary thereof) or the Company Stockholders (or any Affiliate or Subsidiary thereof) contained in this Agreement;

(c) any actual or threatened violation of or non-compliance with any Environmental Laws arising from any event, condition, circumstance, activity, practice, incident, action, or plan existing or occurring prior to the Effective Time relating in any way to the assets or the business of the Company (including without limitation the ownership, operation, or use of the Company's assets and the conduct of the business of the Company prior to the Effective Time; the presence of any underground storage tanks or any hazardous substances or solid waste on, in, under, or affecting all or any portion of the Company's properties or any surrounding areas, and any release (as defined in CERCLA) or threatened release with respect to such underground storage tanks or hazardous substances or solid waste; and the storage, disposal, or treatment, or transportation for storage, disposal, or treatment, of hazardous substances or solid waste; but excluding any violation of or non-compliance with any Environmental Laws that is attributable solely to a change by IES in the structure, use or condition of any of the Company's assets after the Effective Time;

(d) the ownership, management, or use of the Company's assets prior to the Effective Time; the conduct of the business of the Company prior to the Effective Time;

(e) any losses or costs of defending against any claims which may be made against IES by any Person claiming violations of any local, state, or federal laws relating to the employment relationship, including, but not limited to, wages, hours, concerted activity, nondiscrimination, occupational health and safety, and the payment and withholding of Taxes, where such claims arise out of circumstances occurring prior to the Effective Time; or

(f) any breach or non-performance, partial or total (prior to the date hereof), by the Company or any Company Stockholder of any covenant or agreement of

the Company or the Company Stockholders contained in the Agreement to Purchase dated December 29, 1995, by and among the Company and H. William Morales, or his assignee Asman Young Electric Company.

Section 6.2. Indemnification Related to Tax Liabilities. The Company Stockholders shall retain liability, and shall indemnify IES, for the payment of any Tax liabilities with respect to the conduct of the business of the Company during all periods ending as of or prior to the Effective Time.

Section 6.3. Indemnification by IES. IES covenants and agrees that it will indemnify, defend, protect and hold harmless the Company Stockholders at all times from and after the date of this Agreement from and against all Expenses directly or indirectly resulting from, relating to or arising out of:

(a) any breach of any representation or warranty of IES set forth herein or in the Schedules or certificates delivered in connection herewith; and

(b) any breach or non-performance, partial or total, by IES of any covenant or agreement of IES (or any Affiliate or subsidiary thereof) contained in this Agreement.

Section 6.4. Indemnification Proceedings. Promptly after a party indemnified pursuant to this Article VI ("Indemnitee") has received notice of or has knowledge of any claim by a person not a party to this Agreement ("third party") or the commencement of any action or proceeding by a third party, the Indemnitee shall promptly, and in any event within 60 days of the assertion of any claim or the discovery of any fact upon which Indemnitee intends to base a claim for indemnification under this Agreement ("Indemnitee Claim"), as a condition precedent to the Indemnitee Claim, give written notice to the party or parties from whom indemnification is sought ("Indemnitor") of such claim by the third party. Such notice shall state the nature and the basis of such claim and a reasonable estimate of the amount thereof. In the event of any Indemnitee Claim, Indemnitor, at its option, shall have the right to defend or settle, at its own expense and by its own counsel, any such matter so long as the Indemnitor pursues the same in good faith and diligently. If the Indemnitor undertakes to defend or settle, it shall promptly notify the Indemnitee of its intention to do so, and the Indemnitee shall cooperate with the Indemnitor and its counsel in the defense thereof and in any settlement thereof. Notwithstanding the foregoing, the Indemnitee shall have the right to participate in any matter through counsel of its own choosing at its own expense; provided that the Indemnitor's counsel shall always be lead counsel and shall determine all litigation and settlement steps, strategy and the like. Except as set forth in the preceding sentence, after the Indemnitor has notified the Indemnitee of its intention to undertake to defend or settle any such asserted liability, and for so long as the Indemnitor diligently pursues such defense, the Indemnitor shall not be liable for any additional legal expenses incurred by the Indemnitee in connection with any defense or settlement of such asserted liability, except to the extent such participation is requested by the Indemnitor, in which event the Indemnitee shall be

reimbursed by the Indemnitor for reasonable additional legal expenses, out-of-pocket expenses and allocable share of employee compensation incurred in connection with such participation for any employee whose participation is so requested. If the Indemnitor desires to accept a final and complete settlement of any such third party claim and the Indemnatee refuses to consent to any such settlement which contains a complete and irrevocable release of Indemnatee with respect to all current and future claims arising out of the matter or dispute, then the Indemnitor's liability under this Section with respect to such third party claim shall be limited to the amount so offered in settlement by said third party. If the Indemnitor does not undertake to defend such matter to which the Indemnatee is entitled to indemnification hereunder, or fails diligently to pursue such defense, the Indemnatee may undertake such defense through counsel of its choice, at the cost and expense of the Indemnitor, and the Indemnatee may settle such matter, without the consent of the Indemnitor, and the Indemnitor shall immediately reimburse the Indemnatee for the Indemnatee's Expenses incurred in connection therewith as such Expenses are incurred.

Section 6.5. Other Remedies. Notwithstanding the indemnification obligations contained within this Article VI, in no event shall the indemnification provisions hereof limit in any way the ability of any of the parties to this Agreement to seek any other remedies which may be available to them under law.

Section 6.6. Indemnification if Negligence of Indemnatee. The indemnification provided in this Article VI shall be applicable whether or not negligence of the Indemnatee is alleged or proven.

Section 6.7. No Third Party Beneficiaries. The foregoing indemnification is given solely for the purpose of protecting the Company Stockholders and the IES Indemnitees and shall not be deemed extended to, or interpreted in a manner to confer any benefit, right, or cause of action upon, any other Person.

ARTICLE VII

Noncompetition Covenants

Section 7.1. Prohibited Activities. Each Company Stockholder will not, for a period of two (2) years following the Effective Time, directly or indirectly, for himself or on behalf of or in conjunction with any or Person:

- (a) engage, as an officer, director, shareholder, owner, partner, joint venturer, or in a managerial or advisory capacity, whether as an employee, independent contractor, consultant, or advisor, or as a sales representative, in any business offering any services or products in direct competition with IES or any of its Subsidiaries within 100 miles of where IES or any of its Subsidiaries conducts business, including any territory serviced by IES or any of its Subsidiaries (the "Territory");

(b) call upon any Person who is, at that time, within the Territory, an employee of IES or any of its Subsidiaries for the purpose or with the intent of enticing such employee away from or out of the employ of IES or any of its Subsidiaries;

(c) call upon any Person who is, at that time, or which has been, within one (1) year prior to that time, a customer of IES or any of its Subsidiaries within the Territory for the purpose of soliciting or selling services or products in direct competition with IES or any of its Subsidiaries within the Territory; or

(d) call upon any prospective acquisition candidate within the Territory, on such Company Stockholder's own behalf or on behalf of any competitor in the electrical contracting business, which candidate, to the actual knowledge of such Company Stockholder after due inquiry, was called upon by IES or any subsidiary thereof or for which, to the actual knowledge of such Company Stockholder after due inquiry, IES or any subsidiary thereof made an acquisition analysis, for the purpose of acquiring such entity.

Notwithstanding the above, the foregoing covenant shall not be deemed to prohibit any Company Stockholder from acquiring, as a passive investor with no involvement in the operations of the business, not more than one percent (1%) of the capital stock of a business providing services similar to those provided by IES whose stock is publicly traded on a national securities exchange or over the counter.

Section 7.2. Equitable Relief. Because of the difficulty of measuring economic losses to IES as a result of a breach of the foregoing covenant, and because of the immediate and irreparable damage that could be caused to IES for which it would have no other adequate remedy, each Company Stockholder agrees that the foregoing covenant may be enforced by IES by injunctions, restraining orders, and other equitable actions and agrees to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or any other equitable relief.

Section 7.3. Reasonable Restraint. It is agreed by the parties hereto that the foregoing covenants in this Article VII impose a reasonable restraint on each Company Stockholder in light of the activities and business of IES on the date of the execution of this Agreement and the current plans of IES; but it is also the intent of IES and each Company Stockholder that such covenants be construed and enforced in accordance with the changing activities, business, and locations of IES and its Subsidiaries throughout the term of this covenant. During the term of this covenant, if IES or one of its Subsidiaries engages in new and different activities, enters a new business, or establishes new locations for its current activities or business in addition to or other than the activities or business it is currently conducting in the locations currently established therefor, then such Company Stockholder will be precluded from soliciting the customers or employees of such new activities or business or from such new location and from directly competing with such new

activities or business within 100 miles of its then-established operating location(s) through the term of these covenants.

Section 7.4. Severability; Reformation. The covenants in this Article VII are severable and separate, and the unenforceability of any specific covenant shall not affect the continuing validity and enforceability of any other covenant. In the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth in this Article VII are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court deems reasonable, and this Agreement shall thereby be reformed.

Section 7.5. Material and Independent Covenant. Each Company Stockholder acknowledges that his agreement with the covenants set forth in this Article VII is a material and substantial condition to IES's agreement to execute and deliver this Agreement and to consummate the transactions contemplated hereby. All of the covenants in this Article VII shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of any Company Stockholder against IES or one of its Subsidiaries, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by IES of such covenants. It is specifically agreed that the two-year period during which the agreements and covenants of each Company Stockholder made in this Article VII shall survive shall be computed by excluding from such computation any time during which such Company Stockholder is in violation of any provision of this Article VII. The covenants contained in this Article VII shall not be affected by any breach of any other provision hereof by any party hereto.

ARTICLE VIII

Applicable Securities Laws/Transfer Restrictions

Section 8.1. Each Company Stockholder's Representations and Warranties Concerning Securities. As of the date hereof (and the Effective Time, in the event the Effective Time occurs on a different date), each Company Stockholder hereby makes the following representations and warranties to and for the benefit of IES: (i) that such Company Stockholder has been provided with copies of the Prospectus and the IES SEC filings and has been provided as much time and opportunity as they deemed appropriate to review and study such materials, and to consult with IES regarding the merits and risks of the transactions contemplated by this Agreement; (ii) that such Company Stockholder has had adequate opportunity to ask questions of and receive answers from the officers of IES pertaining to the purchase of the IES Common Stock pursuant to the Merger, and (iii) all such questions have been answered to the satisfaction of such Company Stockholder.

Section 8.2. Transfer Restrictions. Unless otherwise agreed by IES, except for transfer to immediate family members who agree to be bound by the restrictions set forth in this Section 8.2 (or trusts for the benefit of a Company Stockholder or family members, or trusts in which a Company Stockholder is both the grantor and the beneficiary, the trustees of which so agree), (a)

for a period of 18 months from the date of this Agreement no Company Stockholder shall sell, assign, exchange, transfer, appoint, or otherwise dispose of any shares of IES Common Stock received by such Company Stockholder pursuant to this Agreement and (b) during the period beginning 18 months after the date of this Agreement and ending 24 months after the date of this Agreement, no Company Stockholder shall sell, assign, exchange, transfer, appoint, or otherwise dispose of more than 25% of the number of shares of IES Common Stock received by such Company Stockholder pursuant to this Agreement. The certificates evidencing the IES Common Stock delivered to each Company Stockholder pursuant to this Agreement will bear a legend substantially in the form set forth below and containing such other information as IES may deem necessary or appropriate:

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, EXCHANGED, TRANSFERRED, DISTRIBUTED, APPOINTED OR OTHERWISE DISPOSED OF WITHOUT THE WRITTEN CONSENT OF IES, AND THE ISSUER SHALL NOT BE REQUIRED TO GIVE EFFECT TO ANY ATTEMPTED SALE, ASSIGNMENT, EXCHANGE, TRANSFER, DISTRIBUTION, APPOINTMENT OR OTHER DISPOSITION PRIOR TO MAY 11, 2000. UPON THE WRITTEN REQUEST OF THE HOLDER OF THIS CERTIFICATE, THE ISSUER AGREES TO REMOVE THIS RESTRICTIVE LEGEND (AND ANY STOP ORDER PLACED WITH THE TRANSFER AGENT) AFTER THE DATE SPECIFIED ABOVE.

ARTICLE IX

Nondisclosure of Confidential Information

Section 9.1. General. Each Company Stockholder recognizes and acknowledges that he had in past, currently has, and in the future may possibly have, access to certain confidential information of the Company or the Surviving Corporation, such as lists of customers or employees, operational policies, and pricing and cost policies that are valuable, special, and unique assets of the Company and will be valuable, special, and unique assets of the Surviving Corporation. Each Company Stockholder agrees that he will not disclose such confidential information to any Person for any purpose or reason whatsoever (except such information as the such Company Stockholder may be required to disclose to any Governmental Authority or to authorized representatives of IES and its Subsidiaries). In the event of a breach or threatened breach by a Company Stockholder of the provisions of this Section, IES shall be entitled to an injunction restraining such Company Stockholder from disclosing, in whole or in part, such confidential information. Nothing herein shall be construed as prohibiting IES from pursuing any other available remedy for such breach or threatened breach, including the recovery of damages.

Section 9.2. Equitable Relief. Because of the difficulty of measuring economic losses as a result of the breach of the foregoing covenants, and because of the immediate and irreparable damage that would be caused for which the Company, the Surviving Corporation, and/or IES would have no other adequate remedy, each Company Stockholder agrees that the foregoing

covenants may be enforced against him by injunctions, restraining orders, and other equitable actions and agrees to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or any other equitable relief.

Section 9.3. Non-Public Information. Each Company Stockholder hereby acknowledges that if he becomes aware of "material non-public information" (as defined under applicable securities laws) regarding IES, that he will be required, under applicable securities laws, to refrain from trading in IES securities or disclosing any such information while such information is non-public. Each Company Stockholder further agrees to communicate such requirement to all personnel of the Company, the Surviving Corporation or others, having knowledge of such "material non-public information" regarding IES.

Section 9.4. Survival. The obligations of the parties under this Article IX shall survive the termination of this Agreement.

ARTICLE X

Miscellaneous

Section 10.1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without reference to the choice of law principles thereof.

Section 10.2. Entire Agreement. This Agreement, together with the Schedules and Exhibits hereto, constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no agreements, understandings, representations, or warranties between the parties other than those set forth or referred to herein.

Section 10.3. Expenses and Fees. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 10.4. Notices. All notices hereunder shall be sufficient upon receipt for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, telecopy, telefax, or other electronic transmission service to the appropriate address or number as set forth below.

If to IES or Acquisition, to:

Integrated Electrical Services, Inc.
515 Post Oak Blvd., Suite 450
Houston, Texas 77027
Attention: John F. Wombwell
Fax Number: (713) 860-1599

if to the Company, to:

Aladdin Ward Electric & Air, Inc.
7011-301 Boulevard
Sarasota, Florida 34243
Attention: Michael S. Bennett
Fax Number: (941) 751-6851

if to the Company Stockholders, to:

c/o Aladdin Ward Electric & Air, Inc.
7011-301 Boulevard
Sarasota, Florida 34243
Attention: Michael S. Bennett
Fax Number: (941) 751-6851

Section 10.5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no party may assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, except IES or Acquisition may transfer or assign, in whole or from time to time in part, to one or more of their Affiliates, the right to enter into the transactions contemplated by this Agreement, but any such transfer or assignment will not relieve IES or Acquisition of its obligations hereunder. Except as provided in Article VI, this Agreement is not intended to confer upon any Person not a party hereto any rights or remedies hereunder, and no Person other than the parties hereto or such Persons described above is entitled to rely on any representation, warranty, or covenant contained herein.

Section 10.6. Headings; Definitions. The Section and Article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained herein mean Sections or Articles of this Agreement unless otherwise stated. All capitalized terms defined herein are equally applicable to both the singular and plural forms of such terms.

Section 10.7. Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Any party hereto may, only by an instrument in writing, waive compliance by any other party hereto with any term or provision of this Agreement on the part of such other party hereto to be performed or complied with. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 10.8. Construction of Certain Provisions. It is understood and agreed that the specification of any dollar amount in the representations and warranties contained in this

Agreement or the inclusion of any specific item in the Schedules or Exhibits is not intended to imply that such amounts or higher or lower amounts, or the items so included or other items, are or are not material, and no party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Schedules in any dispute or controversy between the parties as to whether any obligation, item, or matter not described herein or included in a Schedule or Exhibit is or is not material for purposes of this Agreement. It is agreed that neither party shall allege that a provision of this Agreement shall be construed against a party because such party drafted such provision.

Section 10.9. Survival of Representations and Warranties. The representations, warranties, covenants and agreements of the parties made herein and at the time of the Closing or in writing delivered pursuant to the provisions of this Agreement shall survive the consummation of the transactions contemplated hereby and any examination on behalf of the parties.

Section 10.10. Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the extent possible.

Section 10.11. Jurisdiction. Any legal action, suit, or proceeding in law or equity arising out of or relating to this Agreement and transactions contemplated by this Agreement may be instituted in any state or federal court in Harris County, Houston, Texas, and each party agrees not to assert, by way of motion, as a defense, or otherwise, in any such action, suit, or proceeding, any claim that it is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment or execution, that the action, suit, or proceeding is brought in an inconvenient forum, that the venue of the action, suit, or proceeding is improper or that this Agreement, or the subject matter hereof or thereof may not be enforced in or by such court. Each party further irrevocably submits to the jurisdiction of any such court in any such action, suit, or proceeding. Any and all service of process and any other notice in any such action, suit, or proceeding shall be effective against any party if given by registered or certified mail, return receipt requested, or by any other means of mail which requires a signed receipt, postage prepaid, mailed to such party at the address listed in Section 10.4. Nothing herein contained shall be deemed to affect the right of any party to serve process in any manner permitted by law.

Section 10.12. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.13. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof in addition to any other remedy to which they are entitled at law or in equity.

Section 10.14. Counterparts; Effectiveness. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. A telecopied facsimile of an executed counterpart of this Agreement shall be sufficient to evidence the binding agreement of each party to the terms hereof. However, each party agrees to promptly deliver to the other parties an original duly executed counterpart of this Agreement.

Section 10.15. Mutual Indemnification Against Claims of Brokers. The Company Stockholders on one hand and IES on the other hand each agree to indemnify the other against all loss, cost, damages or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such party or any Affiliate of such party (Affiliate determined at or immediately prior to the Effective Time).

Section 10.16. Definitions and Usage. For the purposes of this Agreement:

“368 Reorganization” shall have the meaning specified in Section 3.22.

“1933 Act” shall have the meaning specified in Section 3.5.

“1934 Act” shall have the meaning specified in Section 4.4.

“Acquisition” shall have the meaning specified in the introductory paragraph of this Agreement.

“Action” shall mean any action, suit, arbitration, inquiry, proceeding, or investigation by or before any Governmental Authority.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person

“Agreement” shall have the meaning specified in the introductory paragraph of this Agreement and Plan of Merger.

“Articles of Merger” shall have the meaning specified in Section 1.1 (b).

“CERCLA” shall have the meaning specified in Section 3.18.

“Certificates” shall have the meaning specified in Section 1.3.

“Certificate of Merger” shall have the meaning specified in Section 1.1 (b).

“Code” shall mean the Internal Revenue Code of 1986, as amended, and any successor thereto.

“Commitment” shall have the meaning specified in Section 3.2(a).

“Company” shall have the meaning specified in the introductory paragraph of this Agreement.

“Company Reviewed Financial Statements” shall have the meaning specified in Section 3.6.

“Company Benefit Plans” shall have the meaning specified in Section 3.20(a).

“Company Common Stock” shall have the meaning specified in Section 1.2(a)

“Company Material Adverse Effect” shall mean any fact, circumstance, event, or condition which has or would have a materially adverse effect on the business, operations, properties, condition (financial or otherwise), assets, liabilities, results of operations or prospects of the Company.

“Company Pension Plans” shall have the meaning specified in Section 3.20(a).

“Company Returns” shall mean all returns, declarations, reports, statements, and other documents required to be filed by the Company in respect of Taxes, and the term “Company Return” means any one of the foregoing Company Returns.

“Company Shares” shall have the meaning specified in Section 3.2(a).

“Company Stockholders” shall have the meaning specified in the introductory paragraph of this Agreement.

“Company Non-reviewed Balance Sheet Date” shall have the meaning specified in Section 3.7.

“Company Non-reviewed Financial Statements” shall have the meaning specified in Section 3.6.

“Company Welfare Plan” shall have the meaning specified in Section 3.20(a).

“Delaware Law” shall have the meaning prescribed in Section 1.1 (a).

“Disposal” or “disposed” shall have the meaning specified in Section 3.18.

“Effective Time” shall have the meaning specified in Section 1.1 (b).

“Employment Agreements” shall have the meaning specified in Section 1.6(a)(i).

“Environmental Laws” shall have the meaning specified in Section 3.18.

“ERISA” shall have the meaning specified in Section 3.20(a).

“Expenses” shall have the meaning specified in Section 6.1.

“Florida Law” shall have the meaning prescribed in Section 1.1 (a).

“GAAP” shall have the meaning specified in Section 3.6.

“Governmental Authority” shall mean (a) the United States of America, (b) any state, county, municipality, or other governmental subdivision within the United States of America, and (c) any court or any governmental department, commission, board, bureau, agency, or other instrumentality of the United States of America or of any state, county, municipality, water rights, taxing, or zoning authority, or other governmental subdivision within the United States of America.

“IES” shall have the meaning specified in the introductory paragraph of this Agreement.

“IES Common Stock” shall have the meaning specified in Section 1.2(a).

“IES Indemnitees” shall have the meaning specified in Section 6.1.

“IES Material Adverse Effect” shall mean any fact, circumstance, event, or condition which has or would have a materially adverse effect on the business, operations, properties, condition (financial or otherwise), assets, liabilities, results of operations or prospects of IES and its Subsidiaries, taken as a whole.

“IES SEC Filings” shall have the meaning specified in Section 4.5(a).

“Indemnitee” shall have the meaning specified in Section 6.4.

“Indemnitee Claim” shall have the meaning specified in Section 6.4.

“Indemnitor” shall have the meaning specified in Section 6.4.

“Knowledge” when used in relation to any Person shall mean the actual (but not constructive) knowledge of such Person or such Person’s officers after reasonable inquiry.

“Licenses” shall have the meaning specified in Section 3.11.

“Liens” shall mean all liens, mortgages, security interests, pledges, equities, claims, options, and other encumbrances of any kind.

“Merger” shall have the meaning specified in Section 1.1 (a).

“Merger Consideration” shall have the meaning specified in Section 1.2(a).

“NYSE” shall have the meaning specified in Section 1.3.

“Officer” means in the case of IES and the Company, any executive officer of IES or the Company, as applicable, within the meaning of Rule 3b-7 of the 1934 Act.

“Person” shall mean an individual, partnership, corporation, limited-liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other legal entity of any kind.

“Prospectus” shall have the meaning specified in Section 4.5(d).

“RCRA” shall have the meaning specified in Section 3.18.

“release” shall have the meaning specified in Section 3.18.

“SEC” shall have the meaning specified in Section 4.5.

“Subsidiary” means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at any time directly or indirectly owned by such Person.

“Surviving Corporation” shall have the meaning specified in Section 1.1(a).

“Tax” or “Taxes” shall have the meaning specified in Section 3.19(a).

“Territory” shall have the meaning specified in Section 7.1 (a).

“Third party” shall have the meaning specified in Section 6.4.

A reference in this Agreement to any statute shall be to such statute as amended from time to time, and the rules and regulations promulgated thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

INTEGRATED ELECTRICAL SERVICES, INC.

By: _____
John F. Wombwell, Senior Vice President,
General Counsel & Secretary

ALADDIN WARD ACQUISITION CORPORATION

By: _____
John F. Wombwell, Vice President

ALADDIN WARD ELECTRIC & AIR, INC.

By: _____
Michael S. Bennett, President

MICHAEL S. BENNETT

DIANE M. BENNETT

STEVEN C. BROWN

Schedule 2.3 – Officers of Surviving Corporation

President - Michael S. Bennett

Chief Executive Officer - Jon Pollock

Chief Financial Officer - Jim P. Wise
and Chief Accounting
Officer

Assistant Secretary - John F. Wombwell

Vice President - Steven C. Brown