

**CORPORATE
ACCESS,
INC.**

1116-D Thomasville Road . Mount Vernon Square . Tallahassee, Florida 32303

P.O. Box 37066 (32315-7066) ~ (904) 222-2656 or (800) 969-1666 . Fax (904) 222-1666

F 96000006302

WALK IN

PICK UP

9/19/97



CERTIFIED COPY

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FILING

merger

1.) Holiday Air Conditioning, Inc.
(CORPORATE NAME & DOCUMENT #)

2.) _____
(CORPORATE NAME & DOCUMENT #)

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3.) _____
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97 SEP 19 PM 1:56
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RECEIVED
97 SEP 19 PM 2:11
DIVISION OF CORPORATION

SPECIAL INSTRUCTIONS

F96000006302

**ARTICLES OF MERGER
Merger Sheet**

MERGING:

HOLIDAY AIR CONDITIONING, INC., a Florida corporation 462735

into

CUSTOM AIR CONDITIONING, INC., a Tennessee corporation F96000006302

File date: September 19, 1997

Corporate Specialist: Annette Hogan



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

September 19, 1997

Corporate Access, Inc.
1116-D Thomasville Road
Mount Vernon Square
Tallahassee, FL 32303

SUBJECT: CUSTOM AIR CONDITIONING, INC.
Ref. Number: F9600006302

We have received your document for CUSTOM AIR CONDITIONING, 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):

The surviving corporation will need to submit an application to change its name and a certificate from its home state evidencing the name change. Please see the attached application.

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

Annette Hogan
Corporate Specialist

Letter Number: 897A00046663

Corrected
9/22/97
[Signature]

DIVISION OF CORPORATIONS

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97 SEP 19 PM 1:56
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER

MERGING

Holiday Air Conditioning, Inc.
(a Florida corporation)

WITH AND INTO

Custom Air Conditioning, Inc.
(a Tennessee corporation)

Pursuant to Sections 607.1101, 607.1103, 607.1105 and 607.1107 of the Florida Business Corporation Act, Custom Air Conditioning, Inc., a Tennessee corporation ("Surviving Corporation"), and Holiday Air Conditioning, Inc., a Florida corporation ("Holiday"), hereby adopt the following Articles of Merger:

1. The attached Plan of Merger between Surviving Corporation and Holiday, which is incorporated herein by reference, has been approved and adopted by each of the corporations in accordance with the provisions of Sections 48-21-104, 48-21-107 and 48-21-109 of the Tennessee Business Corporation Act and the applicable provisions of the Florida Business Corporation Act.
2. The Plan of Merger was duly approved by the Board of Directors of Holiday on September 19, 1997, and was duly approved on September 19, 1997, by a majority of all the votes entitled to be cast on the Plan of Merger by the shareholders of Holiday entitled to vote thereon in accordance with the laws of the State of Florida; was adopted by the Board of Directors of Surviving Corporation on September 19, 1997, and duly approved by the affirmative vote of the required percentage of all of the votes entitled to be cast by the shareholders of Surviving Corporation on July 23, 1997, in accordance with the laws of the State of Tennessee.
3. The Plan of Merger and the performance of the transactions contemplated thereby were duly authorized by all action required by the laws of Tennessee and by Holiday's Articles of Incorporation.
4. The Plan of Merger shall be effective upon filing of these Articles of Merger with the Secretary of State of the State of Tennessee.
5. On the date of filing of these Articles of Merger, Holiday shall cease to exist as a separate corporation.

IN WITNESS WHEREOF, each of the undersigned corporations has duly caused these Articles of Merger to be executed by their respective duly authorized officers as of this 19th day of September, 1997.

CUSTOM AIR CONDITIONING INC.

By: _____

Anthony M. Schofield
Secretary

HOLIDAY AIR CONDITIONING, INC.


By: _____

Annemarie Raygor
Annemarie C. Raygor
President

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IN WITNESS WHEREOF, each of the undersigned corporations has duly caused these Articles of Merger to be executed by their respective duly authorized officers as of this 19th day of September, 1997.

CUSTOM AIR CONDITIONING INC.

By: 
Anthony M. Schofield
Secretary

HOLIDAY AIR CONDITIONING, INC.

By: _____
Annemarie C. Raygor
President

PLAN OF MERGER

WHEREAS, Custom Air Conditioning, Inc. d/b/a Service Experts of Palm Beach ("Sub") is a corporation duly organized and validly existing under the laws of the State of Tennessee;

WHEREAS, Holiday Air Conditioning, Inc. (the "Company") is a corporation duly organized and validly existing under the laws of the State of Florida;

WHEREAS, the Boards of Directors of Sub and the Company have each determined that it is advisable that the Company merge with and into Sub upon the terms and conditions herein provided (the "Merger"); and

WHEREAS, the Boards of Directors of Sub and the Company have approved an Agreement and Plan of Merger (the "Merger Agreement"), dated as of September 19, 1997, among the Company, the shareholders of the Company, Sub and Service Experts, Inc., the parent corporation of Sub ("SEI");

NOW, THEREFORE, Sub and the Company hereby agree to merge into a single corporation as follows:

FIRST: The Company shall submit this Plan of Merger to its shareholders for their approval pursuant to the applicable provisions under the Florida Business Corporation Act, as amended (the "Florida Act"), and Sub shall submit the Plan of Merger to its sole shareholder for approval pursuant to the

applicable provisions of the Tennessee Business Corporation Act, as amended (the "Tennessee Act").

SECOND: Following the approval of the Plan of Merger by the shareholders of the Company and the sole shareholder of Sub, and provided that this Plan of Merger has not been terminated by either Sub or the Company. Sub will cause the Articles of Merger and this Plan of Merger and any other required documents to be executed and filed with the Secretary of State of the State of Florida pursuant to the applicable provisions of the Florida Act, and with the Secretary of State of the State of Tennessee pursuant to Section 48-21-107 of the Tennessee Act, and shall cause a copy of the Articles of Merger, certified by the Secretary of State of the State of Tennessee, to be recorded in the Register's Office in the County of Davidson, Tennessee in accordance with the provisions of Section 48-11-303 of the Tennessee Act.

THIRD: The Merger shall become effective on the later of the filing of the Articles of Merger with the Secretary of State of Tennessee and the Secretary of State of Florida, such time being hereinafter referred to as the "Effective Time."

FOURTH: Pursuant to and subject to the terms and conditions of this Plan of Merger, the holders of shares of Common Stock, \$75.00 par value per share, of the Company ("Company Common Stock") shall be entitled to receive cash or otherwise immediately available funds in the amount of \$80,000 (the "Cash") and a

number of shares of Common Stock, \$.01 par value per share (the "SEI Common Stock"), of Service Experts, Inc. ("SEI") based on the following:

(a) At the Effective Time, the shares of Company Common Stock issued and outstanding immediately prior to the Effective Time, other than treasury shares to be cancelled and other than shares held by dissenting shareholders (the "Dissenting Shares"), shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive an aggregate of \$390,000 (the "Purchase Price"), consisting of the Cash and shares of SEI Common Stock (based on a per share price of \$25.975). Each Dissenting Share shall be converted into the right to receive payment from SEI with respect thereto in accordance with the Florida Business Corporation Act.

(b) An aggregate of 10% of the Purchase Price shall be held in escrow pursuant to the terms and conditions of an escrow agreement.

(c) On and after the Effective Time, all of the certificates outstanding immediately prior to the Effective Time theretofore representing shares of Company Common Stock (other than Dissenting Shares) shall be deemed for all purposes to evidence ownership of and to represent the number of shares of SEI Common Stock into which the shares of Company Common Stock theretofore represented thereby shall have been converted. Immediately after the Effective Time and upon surrender of certificates representing the Company Common Stock, SEI shall deliver to the Company's shareholders one or more certificates

representing the number of shares of SEI Common Stock calculated in accordance with Paragraph 4(a) above. SEI will not pay a dividend or make any distribution on shares of SEI Common Stock (with a record date on or after the Effective Time) to any record holder of the Company Common Stock until the holder surrenders for exchange his certificates which represented the Company Common Stock. No fractional shares of SEI Common Stock will be issued. The Company's shareholders otherwise entitled to receive a fractional share shall be entitled to receive cash in an amount equal to such fraction multiplied by the average of the closing sales prices of SEI Common Stock as quoted on New York Stock Exchange for the five (5) trading days immediately prior to the Closing Date, in lieu of fractional shares.

FIFTH: As of the Effective Time, the Company shall be merged with and into Sub on the terms and conditions hereinafter set forth as permitted by and in accordance with the Tennessee Act and the Florida Act. Thereupon, the separate existence of the Company shall cease, and Sub, as the surviving corporation, shall continue to exist under and be governed by the Tennessee Act, and shall possess all the rights, privileges, powers and franchises, and be subject to all the restrictions, disabilities and duties of Sub and the Company, and all real property or other property of Sub or the Company shall be vested in and be the property of Sub without reversion or impairment; and all debts due to either Sub or the Company shall be vested in and be the property of Sub; and all debts, liabilities and duties of Sub or the Company shall thenceforth attach to Sub and may be enforced against it

to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

SIXTH: The Charter of Sub in effect as of the Effective Time, but subject to change from time to time by the Board of Directors or the sole shareholder of Sub, shall govern the surviving corporation.

SEVENTH: The Bylaws of Sub in effect as of the Effective Time, but subject to change from time to time by the Board of Directors or the sole shareholder of Sub, shall govern the surviving corporation.

EIGHTH: Sub and the Company, by mutual consent of their respective Boards of Directors, may amend, modify and supplement this Plan of Merger in such manner as may be agreed upon by them in writing at any time before or after approval hereof by the shareholders of the Company or the sole shareholder of Sub; provided, however, that no such amendment, modification or supplement shall affect the rights of the shareholders of the Company or the sole shareholder of Sub in a manner that is materially adverse to such shareholders. In addition, this Plan of Merger may be terminated and the Merger abandoned as provided in the Merger Agreement at any time prior to the Effective Time even though this Plan of Merger has been approved by the shareholders of Company and the sole shareholder of Sub.

Date: September 19, 1997