

2007-12-17

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MERGER OR SHARE EXCHANGE

LIBERTY AMBULANCE SERVICE, INC.

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ARTICLES OF MERGER

of

STAT-LINE INDUSTRIES, INC.
a Florida corporation

with and into

LIBERTY AMBULANCE SERVICE, INC.
a Florida corporation

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1105 of the Florida Business Corporation Act, the following Articles of Merger are adopted by **STAT-LINE INDUSTRIES, INC.**, a Florida corporation ("Stat-Line"), and **LIBERTY AMBULANCE SERVICE, INC.**, a Florida corporation ("Liberty").

1. Liberty, the surviving corporation, and Stat-Line, the merging corporation, are both Florida corporations.

2. A true and correct copy of the Agreement and Plan of Merger (the "Plan of Merger") between Stat-Line and Liberty is attached hereto as Exhibit A and incorporated herein by reference.

3. The merger shall become effective upon filing of these Articles of Merger with the Florida Secretary of State.

4. The Plan of Merger is on file at the office of the surviving corporation (Liberty) at the principal office address of 1626 Atlantic University Circle, Jacksonville, Florida 32207. The Plan of Merger will be provided to each constituent corporation.

5. Pursuant to the Plan of Merger, Stat-Line shall be merged with and into Liberty and Liberty shall be the surviving corporation.

6. The Plan of Merger was approved and adopted by unanimous written consent of all the shareholders and directors of Stat-Line on December 1, 2007, and by unanimous written consent of all the shareholders and directors of Liberty on December 1, 2007, and in each case effective as of December 1, 2007, in accordance with each corporation's articles of incorporation, bylaws and applicable law. The number of votes cast by the shareholders of Stat-Line and Liberty was sufficient for approval.

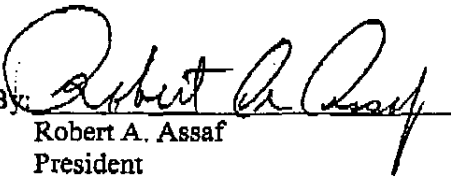
(Signatures Begin on Next Page)

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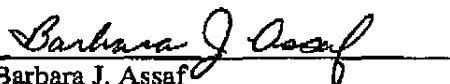
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IN WITNESS WHEREOF, the undersigned have caused these Articles of Merger to be executed by their duly authorized officers as of this 1st day of December, 2007.

STAT-LINE INDUSTRIES, INC.,
a Florida corporation

By: 
Robert A. Assaf
President

LIBERTY AMBULANCE SERVICE,
INC., a Florida corporation

By: 
Barbara J. Assaf
Vice-President

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AGREEMENT AND PLAN OF MERGER

by and among

STAT-LINE INDUSTRIES, INC.,

THE SHAREHOLDERS OF STAT-LINE INDUSTRIES, INC.,

LIBERTY AMBULANCE SERVICE, INC.,

and

THE SHAREHOLDERS OF LIBERTY AMBULANCE SERVICE, INC.

Dated as of December 1, 2007

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is entered into as of December 1, 2007 by and among **STAT-LINE INDUSTRIES, INC.**, a Florida corporation ("Stat-Line"), the **ROBERT A. ASSAF LIVING TRUST DATED DECEMBER 12, 2003** as the sole shareholder of Stat-Line (the "Stat-Line Owner"), **LIBERTY AMBULANCE SERVICE, INC.**, a Florida corporation ("Liberty"), and the **BARBARA J. ASSAF LIVING TRUST DATED DECEMBER 12, 2003** as the sole shareholder of Liberty (the "Liberty Owner").

WHEREAS, the Stat-Line Owner, the Liberty Owner and the respective boards of directors of Stat-Line and Liberty have approved, as in the best interests of the respective companies and their shareholders, this Agreement and the transactions described herein; and

WHEREAS, this Agreement provides for the acquisition of Stat-Line by Liberty through the merger of Stat-Line with and into Liberty (the "Merger"), upon the terms and subject to the conditions hereinafter set forth; and

WHEREAS, the parties intend that Liberty will be the surviving legal entity, in which case the separate corporate existence of Stat-Line shall cease and Liberty shall continue as the surviving legal entity; and

WHEREAS, seven thousand five hundred shares of common stock of Stat-Line are authorized by its articles of incorporation and no other classes or types of stock are authorized; and

WHEREAS, seven thousand five hundred shares of common stock of Liberty are authorized by its articles of incorporation and no other classes or types of stock are authorized; and

WHEREAS, there are currently issued and outstanding one hundred (100) shares of the common stock of Stat-Line standing in the name of the Stat-Line Owner and represented by Stat-Line stock certificate number 2 (the "Stat-Line Stock"); and

WHEREAS, there are currently issued and outstanding one hundred (100) shares of the common stock of Liberty standing in the name of the Liberty Owner and represented by Liberty stock certificate number 4 (the "Liberty Stock"); and

WHEREAS, other than the Stat-Line Stock and the Liberty Stock, there is no issued or outstanding stock of either Liberty or Stat-Line; and

WHEREAS, pursuant to this Agreement the shares of common stock of Stat-Line and Liberty will be converted into the right to receive the consideration set forth in Article IV hereof; and

WHEREAS, the purpose of this Merger is to achieve business efficiencies and economies of scale, improved customer care, and the strengthening of Liberty's standing and reputation in the community.

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NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I THE MERGER AND RELATED TRANSACTIONS

1.1 **The Merger.** Subject to the terms and conditions of this Agreement, at the **Effective Time** (as defined in **Section 1.3** hereof), Stat-Line shall be merged with and into Liberty in accordance with the provisions of the Florida Business Corporation Act (the "**Act**"). The separate existence of Stat-Line shall cease and Liberty shall continue as the surviving company of the Merger (the "**Surviving Company**") and shall continue, as Liberty, to be governed by the Laws of the State of Florida.

1.2 **Place and Time of Closing.** The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of Liberty on 2:00 p.m., December 1, 2007, or at such other time, place and/or date as the Parties may agree to in writing (the "**Closing Date**").

1.3 **Effective Time.** The Merger shall become effective on the date and at the time on which articles of merger containing the provisions required by, and executed in accordance with, Section 607.1101 and 607.1105 of the Act (the "**Articles of Merger**") shall have been accepted for filing by the Secretary of State of the State of Florida, or such later date and time as may be specified in the Articles of Merger (the "**Effective Time**").

1.4 **Effect of the Merger.** The Merger shall have the effect provided therefor by the Act and, upon the effectiveness of the Merger, the Surviving Company shall possess, without limitation, all the rights, privileges, powers and franchises, and be subject to all the restrictions, disabilities and duties, of Stat-Line (the "**Constituent Companies**"). Any and all of the rights, privileges, powers and franchises of the Constituent Companies, and all property, real, personal and mixed, tangible and intangible, and all debts due to the Constituent Companies on whatever account, shall be vested in the Surviving Company. All property, rights, privileges, powers and franchises, and all and every other interest of the Constituent Companies shall be thereafter as effectually the property of the Surviving Company as they were of the Constituent Companies, and the title to any real estate vested by deed or otherwise in the Constituent Companies shall not revert or be in any way impaired by reason of the Merger. All rights of creditors and all liens upon any property of the Constituent Companies shall be preserved unimpaired, and all debts, liabilities and duties of the Constituent Companies shall thenceforth attach to the Surviving Company, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

ARTICLE II ARTICLES, BYLAWS, AND BOARD OF DIRECTORS OF THE SURVIVING COMPANY

2.1 **Articles of Incorporation.** The articles of incorporation of Liberty in effect immediately prior to the consummation of the Merger shall be the articles of incorporation of the

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Surviving Company from and after the Effective Time, until thereafter amended or repealed in accordance with the provisions thereof and as provided by the Laws of Florida.

2.2 **Bylaws.** The bylaws of Liberty in effect immediately prior to the consummation of the Merger shall be the bylaws of the Surviving Company from and after the Effective Time, until thereafter amended or repealed in accordance with the provisions thereof and as provided by the Laws of Florida.

2.3 **Board of Directors.** The board of directors of the Surviving Company shall be Robert Assaf, Barbara Assaf and Michael Assaf, in each case until their successors are duly elected and qualified.

ARTICLE III MANNER OF CONVERTING SHARES

3.1 **Conversion.** Subject to the provisions of this Article III, at the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, the Stat-Line Stock and the Liberty Stock shall be converted as follows:

3.1.1 the Liberty Stock shall be cancelled and in its place shall be issued Liberty stock certificate number 5, representing 490 shares of the common stock of Liberty; and

3.1.2 the Stat-Line Stock shall be cancelled and in its place shall be issued Liberty stock certificate number 6, representing 510 shares of the common stock of Liberty.

3.2 **Dissenting Rights.** The shareholders of Stat-Line who dissent from the Merger described herein may be entitled, pursuant to Section 607.1320, Florida Statutes, if they comply with the provisions of the Act regarding the rights of dissenting shareholders, to be paid the fair value of their shares.

3.3 **Transfers.** At the Effective Time, the stock transfer book of Stat-Line shall be closed as to holders of Stat-Line shares of common stock immediately prior to the Effective Time and no transfers of Stat-Line shares of common stock by any such holder shall thereafter be made or recognized.

ARTICLE IV EXCHANGE OF SHARES

4.1 **Purchaser Units.** Stat-Line and Liberty agree that Stephen G. Prom, Esq. shall be the exchange agent for the Merger (the "Exchange Agent"). Liberty shall deposit, or cause to be deposited, with the Exchange Agent at the Effective Time one thousand (1000) shares of Liberty common stock (the "Payment Fund"). At Closing the Liberty Owner and the Stat-Line Owner shall surrender the Liberty Stock and the Stat-Line Stock and, upon the Effective Time, the Exchange Agent shall cancel the Liberty Stock and the Stat-Line Stock and forward to each holder of record of the certificates of stock of Liberty as set forth in Section 3.1. Liberty shares of stock delivered to the shareholders of upon the surrender of certificates in accordance with the terms hereof shall be deemed to have been fully paid, issued and distributed in full satisfaction of

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all rights of the Stat-Line Shareholder in the shares of stock of Stat-Line and all rights of the Liberty Shareholder in the shares of stock of Liberty.

4.2 **Lost or Stolen Certificates.** In the event 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 Liberty, the posting by such person of a bond (the term of which bond shall not be for a period of time greater than one (1) year) in such amount as Liberty may direct (but in no event greater than the aggregate per share purchase price to be paid to such holder with respect to the certificate) as indemnity against any claim that may be made against it with respect to such certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed certificate the Liberty shares of stock deliverable in respect thereof pursuant to this Agreement.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF STAT-LINE AND THE STAT-LINE OWNER

Stat-Line and the Stat-Line Owner, jointly and severally, represent and warrant to Liberty and the Liberty Owner that on and as of the Effective Time and the Closing Date the statements in the following sections are true, accurate and complete:

5.1 **Organization, Authority and Capacity; Subsidiaries.**

(a) Stat-Line is a corporation duly organized, validly existing and in good standing under the Laws of Florida, and has the full power and authority necessary to (i) execute, deliver and perform its obligations under this Agreement and any other agreements contemplated herein (collectively, the "Merger Documents") and (ii) carry on its business as it has been and is now being conducted and to own and lease the properties and assets which it now owns or leases. Stat-Line is duly qualified to do business and is in good standing in every jurisdiction in which the failure to be so qualified or in good standing would have a material adverse effect on (i) its ability to perform its obligations under the Merger Documents or (ii) the assets, financial position, or results of operations of Stat-Line.

(b) Stat-Line Owner is a revocable living trust and it has the power and authority to own the shares of stock of Stat-Line owned by it and to execute, deliver and perform the Merger Documents to which it is a party and to consummate the transactions hereby and thereby.

(c) Stat-Line does not own any shares of any corporation or other equity interest, either of record, beneficially or equitably, in any association, partnership, limited liability company, joint venture or other legal entity, or have any commitment to acquire any such interest or to make any loans or capital contributions to any such entity.

5.2 **Authorization and Validity.** The execution, delivery and performance of the Merger Documents by Stat-Line have been duly authorized by all necessary shareholder and director action. The Merger Documents to be executed and delivered by the Stat-Line Owner and Stat-Line have been or will be at Closing, as the case may be, duly executed and delivered by Stat-Line and the Stat-Line Owner and constitute or will constitute at Closing the legal, valid and binding obligations of the Stat-Line Owner and Stat-Line, enforceable in accordance with

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their respective terms, except as may be limited by bankruptcy, insolvency, or other Laws affecting creditors' rights generally, or as may be modified by a court of equity.

5.3 Absence of Conflicting Agreements or Required Consents. The execution, delivery and performance by the Stat-Line Owner and Stat-Line of the Merger Documents to be executed and delivered by the Stat-Line Owner and Stat-Line: (i) does not require the consent of or notice to any governmental or regulatory authority or any other third party; (ii) will not conflict with any provision of organizational documents (including articles of incorporation and bylaws) of Stat-Line; (iii) will not conflict with or result in a violation of any law, ordinance, regulation, ruling, judgment, order or injunction of any court or governmental instrumentality to which the Stat-Line Owner is subject or by which the Stat-Line Owner or Stat-Line or any of their assets or properties are bound; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, require any notice under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license or permit to which any Stat-Line Owner or Stat-Line is a party or by which the Stat-Line Owner or Stat-Line or any of their respective properties are bound; and (v) will not create any Encumbrances upon the assets or properties of the Stat-Line Owner or Stat-Line.

5.4 Governing Documents. True and correct copies of the articles of incorporation and all amendments thereto and the bylaws, as amended, of Stat-Line have been made available to Liberty. Liberty has previously been provided with access to Stat-Line's books and records and minutes, and such minutes accurately reflect in all material respects the proceedings of the board of directors and shareholders of Stat-Line. The record books of Stat-Line, including without limitation, the books of account and minute books, are complete and correct in all respects.

5.5 Ownership of Shares.

(a) As of the Closing Date, one hundred (100) shares of common stock of Stat-Line have been duly and validly issued and are outstanding and fully paid and non-assessable.

(b) The shares of stock of Stat-Line are owned by the Stat-Line Owner free and clear of all liens, charges, security interests or other encumbrances of any nature whatsoever ("Encumbrances").

(c) There is (i) no subscription, warrant, option, convertible security or other right (contingent or other) to purchase or acquire any shares of stock of Stat-Line authorized or outstanding, (ii) there is not any commitment of Stat-Line to issue any units, shares, warrants, options or other such rights or to distribute to holders of any class of its shares of stock any evidences of indebtedness or assets, and (iii) Stat-Line does not have an obligation (contingent or other) to purchase, redeem or otherwise acquire any shares of its stock or any interest therein or to pay any dividend or make any other distribution in respect thereof.

5.6 Financial Statements.

(a) Stat-Line has made available the (un)audited financial statements of Stat-Line for the years ended December 31, 2004, December 31, 2005 and December 31, 2006, which reflect the results of operations and financial condition of Stat-Line for such periods and at such dates

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(collectively, the "Stat-Line Financial Statements"). The Stat-Line Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied ("GAAP"). The Stat-Line Financial Statements present fairly in all material respects the financial position of Stat-Line as of the dates indicated and present fairly in all material respects the results of the operations of Stat-Line for the periods then ended, and are in accordance with the books and records of Stat-Line which have been properly maintained and are complete and correct in all material respects.

(b) Neither the Stat-Line Owner nor Stat-Line have admitted in writing its inability to pay its debts, generally as they become due; filed or consented to the filing against it respectively of a petition in bankruptcy or a petition to take advantage of an insolvency act; made an assignment for the benefit of its creditors; consented to the appointment of a receiver for itself respectively or for the whole or any substantial part of its property; had a petition in bankruptcy filed against it; been adjudged bankrupt or filed a petition or answer seeking reorganization or arrangement under the federal bankruptcy Laws or any Law or statute of the United States of America or any other jurisdiction.

5.7 No Undisclosed Liabilities. Except as reflected in the Stat-Line Financial Statements, Stat-Line has no Liabilities or obligations, whether accrued, absolute, contingent or otherwise, that are greater than Five Thousand and No/100 Dollars (\$5,000.00) in the aggregate, except for Liabilities arising in the ordinary course of business consistent with past practice.

5.8 Litigation, etc. There are no claims, lawsuits, actions, arbitrations, administrative or other proceedings pending against Stat-Line. To the knowledge of the Stat-Line Owner and Stat-Line (i) no such matter described in the previous sentence is threatened and there is no basis for any such action, and (ii) there are no governmental or administrative investigations or inquiries pending that involve Stat-Line. There are no judgments against or consent decrees binding on Stat-Line.

5.9 No Violation of Law. To the knowledge of the Stat-Line Owner or Stat-Line, neither the Stat-Line Owner nor Stat-Line have been or is currently in material violation of any applicable local, state or federal Law, order, injunction or decree, or any other requirement of any governmental body, agency or Regulatory Authority or court binding on it, or relating to its property or business or its advertising, sales or pricing practices. Neither the Stat-Line Owner nor Stat-Line is currently subject to any material fine, penalty, liability or disability as the result of a failure to comply with any requirement of federal, state or local Law, nor has the Stat-Line Owner or Stat-Line received any notice of such noncompliance.

5.10 Real and Personal Property.

(a) Stat-Line (i) has good and valid title to all of the personal and mixed, tangible and intangible property, rights and assets ("Stat-Line Rights and Assets") which it purports to own, and (ii) owns such rights, assets and personal property free and clear of all Liens (except for current year ad valorem taxes.) All of the Stat-Line Rights and Assets, whether owned or leased, are in the possession and control of Stat-Line. No affiliate of Stat-Line has any claim or interest in any of the rights or assets that are used or useful in the business conducted by Stat-Line or in

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any operations that are similar to or competitive with that business, even if geographically distant.

(b) Stat-Line does not own any real property. Stat-Line has made available a true and correct description of all real property leased by Stat-Line. To the knowledge of the Stat-Line Owner or Stat-Line, there are no encroachments, leases, easements, covenants, restrictions, reservations or other burdens of any nature which might impair in any material respect the use of any such leased real property in a manner consistent with past practices nor does any part of any building structure or any other improvement thereon encroach on any other property.

(c) The present zoning, subdivision, building and other ordinances and regulations applicable to the leased real property permit the continued operation, use, occupancy and enjoyment of such real property consistent with past practices, and, with respect to such leased real property, Stat-Line is in compliance in all material respects with, and have received no notices of violations of, any applicable zoning, subdivision or building regulation, ordinance or other Law, regulation, or requirement. Stat-Line has all rights and easements necessary for public ingress thereto and egress therefrom and for the provision of all utility services thereto, including any required curb cut or street opening permits or licenses for vehicular access over presently existing roads and driveways. No portion of the leased real property or any building, structure, fixture or improvement thereon, is the subject of, or affected by, any condemnation, taking, eminent domain or inverse condemnation proceeding currently instituted or pending.

(d) The Stat-Line Rights and Assets and the leased premises at which Stat-Line operates its business are in good operating condition and repair, ordinary wear and tear excepted, and the Stat-Line Rights and Assets include all rights, properties, interests in properties, and assets necessary to permit Liberty to continue Stat-Line's business after the Closing Date as presently conducted.

(e) Stat-Line has made available to Liberty a complete and correct list of all trademarks, trade names, service marks, service names, brand names, copyrights, technology rights and licenses, know-how, software and patents, registrations thereof and applications therefor, and any other intellectual property used by Stat-Line, together with a complete list of all licenses granted by or to the Stat-Line Owner or Stat-Line with respect to any of the foregoing. Neither the Stat-Line Owner nor Stat-Line is in receipt of any notice of any violation of the rights of others with respect to any such matter.

(f) The operating and applications computer software programs and databases used by Stat-Line in the conduct of its business (collectively, the "Stat-Line Software") have been made available to Liberty. Stat-Line holds valid licenses to all copies of such software material to its business, and has not sold, licensed, leased or otherwise transferred or granted any interest or rights to any thereof. None of the software owned by Stat-Line infringes upon or violates any patent, copyright, trade secret or other proprietary right of any other person and no claim with respect to any such infringement or violation is threatened.

(g) Upon consummation of the transactions contemplated by this Agreement, with respect to all agreements for the lease or license of Stat-Line Software which require consent or other actions as a result of the consummation of the transactions contemplated by this Agreement

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in order for Liberty to use and operate such Stat-Line Software after the Closing Date, Stat-Line will have obtained such consents or taken such other actions so required except where the failure to obtain such consent would not have a material adverse effect on Liberty.

5.11 Contracts and Commitments. Stat-Line has made available to Liberty true and complete copies of all of the contracts, agreements, commitments and instruments (whether written or oral, contingent or otherwise) of Stat-Line (the "Stat-Line Agreements"). The Stat-Line Agreements are valid and effective in accordance with their terms, and there is not under any of such Stat-Line Agreements (i) any existing or claimed material default by Stat-Line or event which, with the notice or lapse of time, or both, would constitute a material default by Stat-Line, or (ii) to the knowledge of the Stat-Line Owner or Stat-Line, any existing or claimed material default by any other party or event which with notice or lapse of time, or both, would constitute a material default by any such party. The Merger will not result in a breach of or default under, or require the consent of any other party to, or give rise to a right of termination by any other party to, any of the Stat-Line Agreements. There is no actual or, to the knowledge of the Stat-Line Owner or Stat-Line, threatened termination, cancellation or limitation of any Stat-Line Agreements that would have a material adverse effect on Stat-Line, its business, finances or otherwise. To the knowledge of the Stat-Line Owner or Stat-Line, there is no pending or threatened bankruptcy, insolvency or similar proceeding with respect to any other party to the Stat-Line Agreements.

5.12 Employment and Labor Matters.

(a) Stat-Line has made available to Liberty a list of all current and former (within the last 12 months) full-time and part-time employees or consultants of Stat-Line, broken down by location and which includes the name, title or position, years in service with Stat-Line, salary, bonus and benefits information for each such person (the "Stat-Line Business Employees").

(b) Stat-Line is in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment, wages and hours, occupational safety and health, including Laws concerning unfair labor practices within the meaning of Section 8 of the National Labor Relations Act, and the employment of non-residents under the Immigration Reform and Control Act of 1986.

(c) There are no charges, governmental audits, investigations, administrative proceedings or complaints concerning the employment practices of Stat-Line pending or, to the knowledge of the Stat-Line Owner or Stat-Line, threatened before any federal, state or local agency or court that could reasonably be expected to have a material adverse effect on Stat-Line or its business or the Stat-Line Rights and Assets, financial or otherwise, and, to the knowledge of the Stat-Line Owner and Stat-Line, no basis for any such matter exists.

(d) To the knowledge of the Stat-Line Owner and Stat-Line, there are no inquiries, investigations or monitoring of activities of any licensed, registered, or certified professional personnel employed by, credentialed or privileged by, or otherwise affiliated with Stat-Line pending or threatened.

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(c) Stat-Line will not incur any liability or obligation to any Stat-Line Business Employees or violate any applicable Laws respecting employment and employment practices as a result of the Merger.

5.13 Insurance Policies.

(a) All of the Stat-Line Rights and Assets and the operations of Stat-Line of an insurable nature and of a character usually insured by companies of similar size and in similar businesses are insured by Stat-Line in such amounts and against such losses, casualties or risks as is (i) required by any Law applicable to Stat-Line, or (ii) required by any contract or agreement entered into by Stat-Line. Correct and complete copies of certificates of insurance for all such policies have been delivered or made available to Liberty by Stat-Line on or before the date of this Agreement. All such policies are in full force and effect and enforceable in accordance with their terms. Stat-Line is not in default regarding the provisions of any such policy, including, without limitation, failure to make timely payment of all premiums due thereon, and it has not failed to file any notice or present any claim thereunder in due and timely fashion. Stat-Line has not been refused, or denied renewal of, any insurance coverage by insurance companies offering such insurance.

(b) Since its organization, Stat-Line has continuously maintained workers compensation and employer liability, commercial property, general liability, commercial auto, commercial excess liability and umbrella liability and general professional liability (including completed operations hazard endorsement), insurance coverage on an occurrence basis, or on a claims made basis with tail coverage upon each change in carrier.

5.14 Environmental Matters. There are no present or past Environmental Conditions relating to or which could in any way materially and adversely affect Stat-Line or the Stat-Line Rights and Assets. For the purposes of this Agreement, "Environmental Condition" means (a) the introduction into the environment of any pollution, including without limitation any contaminant, irritant or pollutant or other toxic or hazardous substance, in violation of any federal, state or local Law, ordinance or governmental rule or regulations, as a result of any spill, discharge, leak, emission, escape, injection, dumping or release of any kind whatsoever of any substance or exposure of any type in any work places or to any medium, including without limitation air, land, surface waters or ground waters, or from any generation, transportation, treatment, discharge, storage or disposal of waste materials, raw materials, hazardous materials, toxic materials or products of any kind or from the storage, use or handling of any hazardous or toxic materials or other substances, and (b) any noncompliance with any federal, state or local environmental Law or order as a result of or in connection with any of the foregoing.

5.15 Taxes.

(a) Except as reflected in the Stat-Line Financial Statements, no Lien or other encumbrance for Taxes will attach to Stat-Line or any of the Stat-Line Rights and Assets other than Taxes not yet due and payable and for which adequate accruals have been made in the Stat-Line Financial Statements. All Tax Returns required to be filed prior to the date hereof by Stat-Line have been filed (other than Tax Returns for which extensions to file have been granted) with the appropriate governmental agencies in all jurisdictions in which such Tax Returns are

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required to be filed, all of which were correct and complete in all material respects, and all amounts shown as owing thereon have been paid.

(b) Neither the Stat-Line Owner nor Stat-Line has received written notice of any Tax claims being asserted or any proposed assessment by any taxing authority and no Tax Returns of Stat-Line have been audited by the Internal Revenue Service (the "IRS") or the appropriate state agencies for any fiscal year or period ended prior to the date hereof, and Stat-Line is not presently under, nor has it received written notice of any, contemplated investigation or audit by the IRS or any state agency concerning any fiscal year or period ended prior to the date hereof. Stat-Line has not executed any extension or waivers of any statute of limitations on the assessment or collection of any Tax due that is currently in effect.

5.16 Licenses and Authorizations.

(a) Stat-Line holds all valid licenses and other rights, accreditations, permits and authorizations required by Law, ordinance, regulation or ruling of any governmental regulatory authority necessary to operate their business as now conducted. Stat-Line has made available to Liberty a correct and complete list of such licenses, accreditations, permits and other authorizations, complete and correct copies of which have been provided to Liberty.

(b) To the knowledge of Stat-Line or the Stat-Line Owner, no violation, default, order or deficiency exists with respect to any licenses or authorizations. Neither Stat-Line nor the Stat-Line Owner has received any notice of any action pending or recommended by any state or federal agencies having jurisdiction over its licenses or authorizations, either to revoke, withdraw or suspend any license, right or authorization. To the knowledge of the Stat-Line Owner or Stat-Line, no event has occurred which, with the giving of notice, the passage of time, or both, would constitute grounds for a material violation, order or deficiency with respect to any of its licenses or authorizations, or to revoke, withdraw or suspend any such license. No consent or approval of, prior filing with or notice to, or any action by, any governmental body or agency or any other third party is required in connection with any such license, right or authorization, by reason of the Merger.

5.17 Changes in Laws. To the knowledge of the Stat-Line Owner or Stat-Line, there are no pending changes in applicable Law or regulations that would prevent Liberty from conducting Stat-Line's business in substantially the same manner as its business is currently conducted prior to the Closing Date.

5.18 Controlled Substances. To the knowledge of the Stat-Line Owner or Stat-Line, neither Stat-Line nor its managers, officers, directors, and employees and persons who provide services to or on behalf of Stat-Line have, in connection with their activities directly or indirectly related to Stat-Line, engaged in any activities which are prohibited under the Federal Controlled Substances Act, 21 U.S.C. § 801 *et seq.*, or the regulations promulgated pursuant to such statute or any related state or local statutes or regulations concerning the dispensing and sale of controlled substances.

5.19 Inventories. All items of inventory of Stat-Line consist, and will consist of items of a quality and quantity usable and saleable in the ordinary course of business and conform to

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generally accepted standards in the industry. Since December 31, 2006, no inventory items have been sold or disposed of, except through sales in the ordinary course of business, and in no event at prices less than book value of such inventory items as of December 31, 2006. The inventory of Stat-Line as reflected in the Stat-Line Financial Statements is net of adequate reserves for damages, excess, slow moving, obsolete and unsaleable items as determined in accordance with GAAP. Purchase commitments are not materially in excess of normal requirements, and none of such purchase commitments is at a price in excess of the prevailing market prices at the time of the purchase.

5.20 Accounts Receivable. The accounts receivable reflected in the most recent balance sheet for Stat-Line, separately included in the Stat-Line Financial Statements referred to in Section 5.6 hereof, and all accounts receivable arising between December 31, 2006 and the date hereof, arose from bona fide transactions in the ordinary course of business. The accounts receivable reflected on such balance sheet, have been properly recorded and reserved against consistent with past practice. No such account receivable has been assigned or pledged to any other person, firm or corporation.

5.21 Statements True and Correct. No representation or warranty made herein by the Stat-Line Owner, nor in any statement, certificate or instrument executed and delivered to Liberty by Stat-Line or the Stat-Line Owner pursuant to any Merger Document, contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make these statements contained herein and therein not misleading in light of the circumstances in which they were made.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF LIBERTY AND LIBERTY OWNER

Liberty and the Liberty Owner, jointly and severally, represent and warrant to Stat-Line and the Stat-Line Owner that on and as of the Effective Time and the Closing Date the statements in the following sections are true, accurate and complete:

6.1 Organization, Authority and Capacity; Subsidiaries.

(a) Liberty is a corporation duly organized, validly existing and in good standing under the Laws of Florida, and has the full power and authority necessary to (i) execute, deliver and perform its obligations under this Agreement and the Merger Documents and (ii) carry on its business as it has been and is now being conducted and to own and lease the properties and assets which it now owns or leases. Liberty is duly qualified to do business and is in good standing in every jurisdiction in which the failure to be so qualified or in good standing would have a material adverse effect on (i) its ability to perform its obligations under the Merger Documents or (ii) the assets, financial position, or results of operations of Liberty.

(b) Liberty Owner is a revocable living trust and it has the power and authority to own the shares of stock of Liberty owned by it and to execute, deliver and perform the Merger Documents to which it is a party and to consummate the transactions contemplated hereby and thereby.

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(c) Liberty does not own any shares of any corporation or other equity interest, either of record, beneficially or equitably, in any association, partnership, limited liability company, joint venture or other legal entity, or have any commitment to acquire any such interest or to make any loans or capital contributions to any such entity.

6.2 Authorization and Validity. The execution, delivery and performance of the Merger Documents by Liberty have been duly authorized by all necessary shareholder and director action. The Merger Documents to be executed and delivered by the Liberty Owner and Liberty have been or will be at Closing, as the case may be, duly executed and delivered by Liberty and the Liberty Owner and constitute or will constitute at Closing the legal, valid and binding obligations of the Liberty Owner and Liberty, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, or other Laws affecting creditors' rights generally, or as may be modified by a court of equity.

6.3 Absence of Conflicting Agreements or Required Consents. The execution, delivery and performance by the Liberty Owner and Liberty of the Merger Documents to be executed and delivered by the Liberty Owner and Liberty: (i) does not require the consent of or notice to any governmental or regulatory authority or any other third party; (ii) will not conflict with any provision of organizational documents (including articles of incorporation and bylaws) of Liberty; (iii) will not conflict with or result in a violation of any Law, ordinance, regulation, ruling, judgment, order or injunction of any court or governmental instrumentality to which the Liberty Owner is subject or by which the Liberty Owner or Liberty or any of their assets or properties are bound; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, require any notice under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license or permit to which the Liberty Owner or Liberty is a party or by which the Liberty Owner or Liberty or any of their respective properties are bound; and (v) will not create any Encumbrances upon the assets or properties of the Liberty Owner or Liberty.

6.4 Governing Documents. True and correct copies of the articles of incorporation and all amendments thereto and the bylaws, as amended, of Liberty have been made available to Stat-Line. Stat-Line has previously been provided with access to Liberty's books and records and minutes, and such minutes accurately reflect in all material respects the proceedings of the board of directors and shareholders of Liberty. The record books of Liberty, including without limitation, the books of account and minute books, are complete and correct in all respects.

6.5 Ownership of Shares.

(a) As of the Closing Date, one hundred (100) shares of common stock of Liberty have been duly and validly issued and are outstanding and fully paid and non-assessable.

(b) The shares of stock of Liberty are owned by the Liberty Owner free and clear of all Encumbrances.

(c) There is (i) no subscription, warrant, option, convertible security or other right (contingent or other) to purchase or acquire any shares of stock of Liberty authorized or outstanding, (ii) there is not any commitment of Liberty to issue any units, shares, warrants,

options or other such rights or to distribute to holders of any class of its shares of stock any evidences of indebtedness or assets, and (iii) Liberty does not have an obligation (contingent or other) to purchase, redeem or otherwise acquire any shares of its stock or any interest therein or to pay any dividend or make any other distribution in respect thereof.

6.6 Financial Statements.

(a) Liberty has made available the (un)audited financial statements of Liberty for the years ended April 30, 2004, April 30, 2005, April 30, 2006, and April 30, 2007 and unaudited interim financial statements for the four month period ending August 31, 2007, which reflect the results of operations and financial condition of Liberty for such periods and at such dates (collectively, the "Liberty Financial Statements"). The Financial Statements have been prepared in accordance with GAAP, except with respect to the interim financial statements as of and for the four month period ending August 31, 2007 for (i) the omission of notes to unaudited Liberty Financial Statements, (ii) the fact that interim financial statement is subject to normal and customary year-end adjustments which will not, in the aggregate, be material and (iii) any exceptions that may be indicated in the notes to such Liberty Financial Statements. The Liberty Financial Statements present fairly in all material respects the financial position of Liberty as of the dates indicated and present fairly in all material respects the results of the operations of Liberty for the periods then ended, and are in accordance with the books and records of Liberty which have been properly maintained and are complete and correct in all material respects.

(b) Neither the Liberty Owner nor Liberty has admitted in writing its inability to pay its debts, generally as they become due; filed or consented to the filing against it respectively of a petition in bankruptcy or a petition to take advantage of an insolvency act; made an assignment for the benefit of its creditors; consented to the appointment of a receiver for itself respectively or for the whole or any substantial part of its property; had a petition in bankruptcy filed against it; been adjudged bankrupt or filed a petition or answer seeking reorganization or arrangement under the federal bankruptcy Laws or any Law or statute of the United States of America or any other jurisdiction.

6.7 No Undisclosed Liabilities. Except as reflected in the Liberty Financial Statements, Liberty has no Liabilities or obligations, whether accrued, absolute, contingent or otherwise, that are greater than Five Thousand and No/100 Dollars (\$5,000.00) in the aggregate, except for Liabilities arising in the ordinary course of business consistent with past practice.

6.8 Litigation, etc. There are no claims, lawsuits, actions, arbitrations, administrative or other proceedings pending against Liberty. To the knowledge of the Liberty Owner and Liberty (i) no such matter described in the previous sentence is threatened and there is no basis for any such action, and (ii) there are no governmental or administrative investigations or inquiries pending that involve Liberty.

6.9 No Violation of Law. To the knowledge of the Liberty Owner or Liberty, neither the Liberty Owner nor Liberty has been or is currently in material violation of any applicable local, state or federal Law, order, injunction or decree, or any other requirement of any governmental body, agency or Regulatory Authority or court binding on it, or relating to its property or business or its advertising, sales or pricing practices. Neither the Liberty Owner nor

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Liberty is currently subject to any material fine, penalty, liability or disability as the result of a failure to comply with any requirement of federal, state or local Law, nor has the Liberty Owner or Liberty received any notice of such noncompliance.

6.10 Real and Personal Property.

(a) Liberty (i) has good and valid title to all of the personal and mixed, tangible and intangible property, rights and assets ("Liberty Rights and Assets") which it purports to own, and (ii) owns such rights, assets and personal property free and clear of all Liens (except for current year ad valorem taxes.) All of the Liberty Rights and Assets, whether owned or leased, are in the possession and control of Liberty. No affiliate of Liberty has any claim or interest in any of the rights or assets that are used or useful in the business conducted by Liberty or in any operations that are similar to or competitive with that business, even if geographically distant.

(b) Liberty has made available a true and correct description of all real property owned by Liberty. Liberty has made available a true and correct description of all real property leased by Liberty. To the knowledge of the Liberty Owner or Liberty, there are no encroachments, leases, easements, covenants, restrictions, reservations or other burdens of any nature which might impair in any material respect the use of any such owned or leased real property in a manner consistent with past practices nor does any part of any building structure or any other improvement thereon encroach on any other property.

(c) The present zoning, subdivision, building and other ordinances and regulations applicable to the leased real property permit the continued operation, use, occupancy and enjoyment of such real property consistent with past practices, and, with respect to such leased real property, Liberty is in compliance in all material respects with, and have received no notices of violations of, any applicable zoning, subdivision or building regulation, ordinance or other Law, regulation, or requirement. Liberty has all rights and easements necessary for public ingress thereto and egress therefrom and for the provision of all utility services thereto, including any required curb cut or street opening permits or licenses for vehicular access over presently existing roads and driveways. No portion of the leased real property or any building, structure, fixture or improvement thereon, is the subject of, or affected by, any condemnation, taking, eminent domain or inverse condemnation proceeding currently instituted or pending.

(d) The Liberty Rights and Assets and the leased premises at which Liberty operates its business are in good operating condition and repair, ordinary wear and tear excepted, and the Liberty Rights and Assets include all rights, properties, interests in properties, and assets necessary to permit Liberty to continue Liberty's business after the Closing Date as presently conducted.

(e) Liberty has made available to Stat-Line a complete and correct list of all trademarks, trade names, service marks, service names, brand names, copyrights, technology rights and licenses, know-how, software and patents, registrations thereof and applications therefor, and any other intellectual property used by Liberty, together with a complete list of all licenses granted by or to the Liberty Owner or Liberty with respect to any of the foregoing. Neither the Liberty Owner nor Liberty is in receipt of any notice of any violation of the rights of others with respect to any such matter.

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(f) The operating and applications computer software programs and databases used by Liberty in the conduct of its business (collectively, the "Liberty Software") have been made available to Stat-Line. Liberty holds valid licenses to all copies of such software material to its business, and has not sold, licensed, leased or otherwise transferred or granted any interest or rights to any thereof. None of the software owned by Liberty infringes upon or violates any patent, copyright, trade secret or other proprietary right of any other person and no claim with respect to any such infringement or violation is threatened.

6.11 Contracts and Commitments. Liberty has made available to Stat-Line true and complete copies of all of the contracts, agreements, commitments and instruments (whether written or oral, contingent or otherwise) of Liberty (the "Liberty Agreements"). The Liberty Agreements are valid and effective in accordance with their terms, and there is not under any of such Liberty Agreements (i) any existing or claimed material default by Liberty or event which, with the notice or lapse of time, or both, would constitute a material default by Liberty, or (ii) to the knowledge of the Liberty Owner or Liberty, any existing or claimed material default by any other party or event which with notice or lapse of time, or both, would constitute a material default by any such party. The Merger will not result in a breach of or default under, or require the consent of any other party to, or give rise to a right of termination by any other party to, any of the Liberty Agreements. There is no actual or, to the knowledge of the Liberty Owner or Liberty, threatened termination, cancellation or limitation of any Liberty Agreements that would have a material adverse effect on Liberty, its business, finances or otherwise. To the knowledge of the Liberty Owner or Liberty, there is no pending or threatened bankruptcy, insolvency or similar proceeding with respect to any other party to the Liberty Agreements.

6.12 Employment and Labor Matters.

(a) Liberty has made available to Stat-Line a list of all current and former (within the last 12 months) full-time and part-time employees or consultants of Liberty, broken down by location and which includes the name, title or position, years in service with Liberty, salary, bonus and benefits information for each such person (the "Liberty Business Employees").

(b) Liberty is in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment, wages and hours, occupational safety and health, including Laws concerning unfair labor practices within the meaning of Section 8 of the National Labor Relations Act, and the employment of non-residents under the Immigration Reform and Control Act of 1986.

(c) There are no charges, governmental audits, investigations, administrative proceedings or complaints concerning the employment practices of Liberty pending or, to the knowledge of the Liberty Owner or Liberty, threatened before any federal, state or local agency or court that could reasonably be expected to have a material adverse effect on Liberty or its business or the Liberty Rights and Assets, financial or otherwise, and, to the knowledge of the Liberty Owner and Liberty, no basis for any such matter exists.

(d) To the knowledge of the Liberty Owner and Liberty, there are no inquiries, investigations or monitoring of activities of any licensed, registered, or certified professional

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personnel employed by, credentialed or privileged by, or otherwise affiliated with Liberty pending or threatened.

(e) Liberty will not incur any liability or obligation to any Liberty Business Employees or violate any applicable Laws respecting employment and employment practices as a result of the Merger.

6.13 Insurance Policies.

(a) All of the Liberty Rights and Assets and the operations of Liberty of an insurable nature and of a character usually insured by companies of similar size and in similar businesses are insured by Liberty in such amounts and against such losses, casualties or risks as is (i) required by any Law applicable to Liberty, or (ii) required by any contract or agreement entered into by Liberty. Correct and complete copies of certificates of insurance for all such policies have been delivered or made available to Stat-Line by Liberty on or before the date of this Agreement. All such policies are in full force and effect and enforceable in accordance with their terms. Liberty is not in default regarding the provisions of any such policy, including, without limitation, failure to make timely payment of all premiums due thereon, and it has not failed to file any notice or present any claim thereunder in due and timely fashion. Liberty has not been refused, or denied renewal of, any insurance coverage by insurance companies offering such insurance.

(b) Since its organization, Liberty has continuously maintained workers compensation and employer liability, commercial property, general liability, commercial auto, commercial excess liability and umbrella liability and general professional liability (including completed operations hazard endorsement), insurance coverage on an occurrence basis, or on a claims made basis with tail coverage upon each change in carrier.

6.14 Environmental Matters. There are no present or past Environmental Conditions relating to or which could in any way materially and adversely affect Liberty or the Liberty Rights and Assets.

6.15 Taxes.

(a) Except as reflected in the Liberty Financial Statements, no Lien or other encumbrance for Taxes will attach to Liberty or any of the Liberty Rights and Assets other than Taxes not yet due and payable and for which adequate accruals have been made in the Liberty Financial Statements. All Tax Returns required to be filed prior to the date hereof by Liberty have been filed (other than Tax Returns for which extensions to file have been granted) with the appropriate governmental agencies in all jurisdictions in which such Tax Returns are required to be filed, all of which were correct and complete in all material respects, and all amounts shown as owing thereon have been paid.

(b) Neither the Liberty Owner nor Liberty has received written notice of any Tax claims being asserted or any proposed assessment by any taxing authority and no Tax Returns of Liberty have been audited by the IRS or the appropriate state agencies for any fiscal year or period ended prior to the date hereof, and Liberty is not presently under, nor has it received written notice of any, contemplated investigation or audit by the IRS or any state agency

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concerning any fiscal year or period ended prior to the date hereof. Liberty has not executed any extension or waivers of any statute of limitations on the assessment or collection of any Tax due that is currently in effect.

6.16 Licenses and Authorizations.

(a) Liberty holds all valid licenses and other rights, accreditations, permits and authorizations required by Law, ordinance, regulation or ruling of any governmental regulatory authority necessary to operate their business as now conducted. Liberty has made available to Stat-Line a correct and complete list of such licenses, accreditations, permits and other authorizations, complete and correct copies of which have been provided to Stat-Line.

(b) To the knowledge of Liberty or the Liberty Owner, no violation, default, order or deficiency exists with respect to any licenses or authorizations. Neither Liberty nor the Liberty Owner has received any notice of any action pending or recommended by any state or federal agencies having jurisdiction over its licenses or authorizations, either to revoke, withdraw or suspend any license. To the knowledge of the Liberty Owner or Liberty, no event has occurred which, with the giving of notice, the passage of time, or both, would constitute grounds for a material violation, order or deficiency with respect to any of its licenses or authorizations or to revoke, withdraw or suspend any such license. No consent or approval of, prior filing with or notice to, or any action by, any governmental body or agency or any other third party is required in connection with any such license, right or authorization by reason of the Merger.

6.17 Changes in Laws. To the knowledge of the Liberty Owner or Liberty, there are no pending changes in applicable Law or regulations that would prevent Liberty from conducting its business in substantially the same manner as its business is currently conducted prior to the Closing Date.

6.18 Controlled Substances. To the knowledge of the Liberty Owner or Liberty, neither Liberty nor its managers, officers, directors, and employees and persons who provide services to or on behalf of Liberty have, in connection with their activities directly or indirectly related to Liberty, engaged in any activities which are prohibited under the Federal Controlled Substances Act, 21 U.S.C. § 801 et seq. or the regulations promulgated pursuant to such statute or any related state or local statutes or regulations concerning the dispensing and sale of controlled substances.

6.19 Inventories. All items of inventory of Liberty consist, and will consist of items of a quality and quantity usable and saleable in the ordinary course of business and conform to generally accepted standards in the industry. Since December 31, 2006, no inventory items have been sold or disposed of, except through sales in the ordinary course of business, and in no event at prices less than book value of such inventory items as of December 31, 2006. The inventory of Liberty as reflected in the Liberty Financial Statements is net of adequate reserves for damages, excess, slow moving, obsolete and unsaleable items as determined in accordance with GAAP. Purchase commitments are not materially in excess of normal requirements, and none of such purchase commitments is at a price in excess of the prevailing market prices at the time of the purchase.

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6.20 Accounts Receivable. The accounts receivable reflected in the most recent balance sheet for Liberty, separately included in the Liberty Financial Statements referred to in Section 6.6 hereof, and all accounts receivable arising between December 31, 2006 and the date hereof, arose from bona fide transactions in the ordinary course of business. The accounts receivable reflected on such balance sheet, have been properly recorded and reserved against consistent with past practice. No such account receivable has been assigned or pledged to any other person, firm or corporation.

6.21 Statements True and Correct. No representation or warranty made herein by the Liberty Owner, nor in any statement, certificate or instrument executed and delivered to Stat-Line by Liberty or the Liberty Owner pursuant to any Merger Document, contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make these statements contained herein and therein not misleading in light of the circumstances in which they were made.

ARTICLE VII ADDITIONAL AGREEMENTS

7.1 Access to Information. After the Closing, Stat-Line will afford Liberty access upon reasonable notice to all applicable books and records of Stat-Line and will furnish such parties with such additional financial, operating and other information as to the business and properties of Stat-Line as such parties may from time to time reasonably request for purposes of filing Tax Returns, responding to claims, investigations or audits. Liberty shall also be allowed access, upon reasonable notice and as shall be mutually agreeable, to consult with the officers, employees, managers, accountants, counsel and agents of Stat-Line in that regard.

7.2 Lease of Space. It is agreed that at Closing, the existing leases for the space and all subleases shall either be terminated and Liberty shall enter into new leases or Stat-Line shall assign such leases to Liberty at Closing.

7.3 Transfer Taxes. Stat-Line and Liberty shall each pay one-half of (a) all transfer and documentary taxes and fees imposed, if any, with respect to instruments of conveyance in the transaction contemplated hereby and (b) all sales, excise and other transfer or similar Taxes on the transfer of the shares of stock contemplated hereunder, if any. Liberty and Stat-Line shall cooperate with one another in promptly making any filings in connection with any such Taxes. Liberty or Stat-Line, as the case may be, shall execute and deliver to each other, at Closing any certificates or other documents as the other may reasonably request to perfect any exemption from any such transfer, documentary sales, or excise tax.

ARTICLE VIII INDEMNIFICATION

8.1 Survival of Representations and Warranties. All covenants, representations and warranties made by the parties hereto in this Agreement or pursuant hereto or in any certificate delivered pursuant hereto SHALL SURVIVE the Closing Date for the time periods indicated in this Article VIII. The representations, warranties, covenants and agreements made

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by any of the parties hereto shall not be affected or deemed waived by reason of the fact that the other parties or their representatives should have known that any such representations, warranties, covenants or agreements are or might be inaccurate in any respect. Except as set forth in this Agreement, any furnishing of information to any party hereto by any other party hereto, pursuant to, or otherwise in connection with, this Agreement shall not waive any such other party's right to rely on any representation, warranty, covenant or agreement made by the party making such representation or warranty.

8.2 Tax Indemnity.

(a) On the terms and subject to the limitations herein, The Stat-Line Owner shall indemnify and hold harmless Liberty, its managers, officers and directors and the Liberty Owner (collectively the "Liberty Indemnitees"), from and against any and all income taxes or related costs (i) imposed on or incurred by the Stat-Line Owner or Stat-Line for any taxable year or taxable period ending on or prior to the close of the Effective Date, and (ii) imposed on or incurred by Liberty, with respect to reasonable attorneys' fees and expenses with respect to contesting any of the indemnified Taxes referred to in clause (i), above incurred by Liberty, as well as any applicable interest, penalty or additional charge with respect to such income taxes.

(b) The Stat-Line Owner shall not be required to indemnify the Indemnitees in respect of any income tax or related costs until there occurs a Final Determination (as defined below) of the liability of the Liberty Indemnitees for the Tax (and any interest, penalties and additions to the Tax) asserted to be payable as a result of any proposed adjustment, unless the Stat-Line Owner elects not to contest or defend against the proposed adjustment of the Tax. A "Final Determination" shall mean (i) a decision, judgment decree or other order by any court of competent jurisdiction, which decision, judgment, or decree or other order has become final after all allowable appeals by either party to the action have been exhausted or the time for filing such appeal has expired, (ii) a closing agreement entered into under Section 7121 of the Internal Revenue Code or other State authority, or any other settlement agreement entered into in connection with an administrative or judicial proceeding with the consent of the Stat-Line Owner, or (iii) the expiration of the time for instituting a claim for refund, or if such claim was filed, the expiration of the time for instituting a suit with respect thereto. If the Stat-Line Owner elects to protest a proposed adjustment and payment is required in order to contest the adjustment, the Stat-Line Owner shall deposit an amount equal to the Taxes in dispute with the Indemnitees (a "Tax Deposit"), and the Liberty Indemnitees shall, upon the receipt of such Tax Deposit from the Stat-Line Owner, promptly remit such Tax Deposit to the Tax authority or court, as requested by Stat-Line Owner, and properly designate the nature of such amount. Any interest expense which is stopped as a result of such Tax Deposit shall be for the account of the Stat-Line Owner. If the Liberty Indemnitees subsequently receive a refund, in whole or in part, of the Tax Deposit or interest, penalties, or additions to Tax paid with funds advanced by the Stat-Line Owner, the Liberty Indemnitees shall within ten (10) days of such receipt pay to the Stat-Line Owner the amount of such refund, plus the amount of any additional interest received from the Internal Revenue Service thereon. Within thirty (30) days after a Final Determination of, or the election of the Stat-Line Owner not to contest or defend against, the liability of the Indemnitees for which the Stat-Line Owner is required to make an indemnity payment hereunder the Stat-Line Owner shall pay the Liberty Indemnitees any excess of such full amount due over any advances or Tax Deposits previously made by the Stat-Line Owner (net of any prior return to

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the Stat-Line Owner of such advances or Tax Deposits) pursuant to this indemnity and any other payments previously made by the Stat-Line Owner with respect to such Taxes. Liberty shall cooperate fully with the Stat-Line Owner in obtaining any refund or return of any Tax Deposits previously made by the Stat-Line Owner where so requested by the Stat-Line Owner. In the event that any Tax Deposit made by the Stat-Line Owner has been applied to any Taxes payable by Liberty which are not subject to indemnification under this Section 8.2, Liberty shall pay to the Stat-Line Owner an amount equal to the portion of the Tax Deposit so applied, together with any applicable interest savings actually realized by Liberty as a result of such application of the Tax Deposit, within ten (10) days following the day on which such Taxes would have otherwise been paid, but for the application of such Tax Deposit, by Liberty.

(c) Anything in this Agreement to the contrary notwithstanding, the provisions of Section 5.15 (Taxes) and this Section 8.2 shall survive until the expiration of the applicable Tax statute of limitation period (including any extensions thereof provided that Liberty will not apply for or consent to the extension of the statute of limitations without the Stat-Line Owner's consent, such consent not to be unreasonably withheld) for the Taxes referred to herein, and any Taxes subject to indemnification under this Section 8.2 shall not be subject to the provisions of Section 8.3 and Section 8.4 hereof.

8.3 Stat-Line Owner's General Indemnity. Subject to the terms and conditions of this Article VIII, the Stat-Line Owner will indemnify, defend and hold the Liberty Indemnitees harmless from and against all demands, claims, actions or causes of actions, assessments, losses, damages (including special and consequential damages), liabilities, costs and expenses, including without limitation, interest, penalties and reasonable attorney fees and expenses (hereinafter collectively called "Damages"), asserted against, resulting to, imposed upon or incurred by the Liberty Indemnitees resulting from or arising out of (i) a breach of any of the representations and warranties made by Stat-Line or the Stat-Line Owner herein (except that those representations and warranties listed in Section 8.2 shall be excluded from this Section 8.3 and governed instead by the provisions of Section 8.2), or (ii) the nonfulfillment of any undertaking, agreement or covenant on the part of Stat-Line or the Stat-Line Owner hereunder. The obligations of the Stat-Line Owner under this Section 8.3 shall survive and shall terminate at the close of business on the expiration of the second anniversary of the Closing Date (the "Indemnity Period"), except that the Stat-Line Owner shall continue to be responsible after such date for those specific claims and losses of which any Liberty Indemnitee shall have given the Stat-Line Owner the notices required by this Article VIII prior to the end of the Indemnity Period referred to herein.

8.4 General Liberty Owner's Indemnity. Subject to the terms and conditions of this Article VIII, the Liberty Owner will indemnify, defend and hold the Stat-Line Owner harmless from and against all Damages asserted against, resulting to, imposed upon or incurred by the Stat-Line Owner resulting from or arising out of, (i) a breach of any of the representations and warranties made by Liberty or the Liberty Owner herein, or (ii) the nonfulfillment of any undertaking, agreement or covenant on the part of Liberty or the Liberty Owner hereunder. The obligations of the Liberty Owner under this Section 8.4 shall survive and shall terminate at the close of business on the expiration of the Indemnity Period, except that the Liberty Owner shall continue to be responsible after such date for those specific claims and losses of which the Stat-Line Owner shall have given the Liberty Owner the notices required by this Article VIII prior to the end of the Indemnity Period referred to herein.

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8.5 Conditions of Indemnification. The obligations and liabilities of the Stat-Line Owner and the Liberty Owner, respectively (herein sometimes called the "Indemnifying Party"), to the Liberty Indemnitees or the Stat-Line Owner, respectively (herein sometimes collectively called the "Indemnified Party") under Sections 8.2, 8.3 and 8.4 hereof with respect to claims resulting from the assertion of liability by third parties shall be subject to the following terms and conditions:

(a) within 20 days after receipt of notice of (i) commencement of any action or (ii) the assertion of any claim by a third party, or (iii) the Indemnified Party obtains actual knowledge that an event giving rise to an indemnity obligation has arisen, the Indemnified Party shall give the Indemnifying Party written notice thereof specifying the factual basis of the claim in reasonable detail to the extent then known to the Indemnified Party, together with a copy of such claim, process or other legal pleading, if applicable, and the Indemnifying Party shall have the right to undertake the defense thereof by representatives of its own choosing who shall be reasonably satisfactory to the Indemnified Party;

(b) In the case of a third party claim, in the event that the Indemnifying Party, by the 30th day after receipt of notice of any such claim (or, if earlier, by the tenth day preceding the day on which an answer or other pleading must be served in order to prevent judgment by default in favor of the person asserting such claim) does not elect to defend against such claim, the Indemnified Party will (upon further notice to the Indemnifying Party) have the right to undertake the defense through legal counsel reasonably satisfactory to the Indemnifying Party, and, with consent of the Indemnifying Party (which shall not be unreasonably withheld), compromise or settle such claim on behalf of and for the account of the Indemnifying Party, subject to the right of the Indemnifying Party, with the consent of the Indemnified Party, to assume the defense of such claim at any time prior to settlement, compromise or final determination thereof;

(c) anything in this Section 8.5 to the contrary notwithstanding, (i) if there is a reasonable probability that a claim for injunction, specific performance or similar equitable remedy other than money damages which may materially and adversely affect the business or operations of Indemnified Party, the Indemnified Party shall have the right, at its own cost and expense, to compromise or settle such claim, but (ii) the Indemnified Party shall not, without the prior written consent of the Indemnifying Party, settle or compromise any claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnifying Party a release from all liability in respect of such claim; and

(d) in connection with any such indemnification, the Indemnified Party will cooperate in all reasonable requests of the Indemnifying Party.

(e) the giving of any notice of any claim or event giving rise to indemnity shall not excuse the obligation to give notice of any subsequent claim or event giving rise to indemnity.

8.6 General Provisions Relating to Indemnification. The party entitled to indemnification shall take all reasonable steps to mitigate all Damages upon and after becoming aware of any event which could reasonably be expected to give rise to any liabilities or damages

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that are indemnifiable hereunder. No party shall be entitled to indemnification to the extent of any insurance, federal or state income tax deductions or credits arising from the indemnifiable event (to the extent that any savings from such deduction or credit is actually realized) or net proceeds of actions against third parties by Liberty based on pre-Closing Date facts; such Indemnified Party agrees to timely notify the insurance carrier and diligently prosecute claims against the insurance carrier without regard to the possibility of indemnification hereunder.

8.7 **Exclusive Remedies.** The rights provided in this Article VIII shall be the exclusive remedy of these parties pursuant to this Agreement with respect to any claim or dispute arising out of or related to this Agreement, except for (a) the right to seek specific performance of any of the agreements contained herein, or (b) in any case where one party has been guilty of fraud in connection with this transaction. As used herein, fraud shall be construed as actual fraud and deceit as determined by applicable Law, and shall exclude conduct which would only give rise to a claim for negligent misrepresentation. No provision contained in this Article 11 shall apply to a breach of the terms of any other Merger Documents, and the parties to the other Merger Documents shall have all rights and remedies provided to them by Law or equity without limitation. Subject only to those indemnity claims for which notice has been given within the Indemnity Period, upon expiration of the applicable Indemnity Period, the obligations for indemnity under this Agreement shall be discharged and extinguished.

ARTICLE IX CERTAIN DEFINITIONS

9.1 (a) Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

"**Affiliate**" of any party shall mean: (i) any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such party; (ii) any officer, director, partner, employer or direct or indirect beneficial owner of any ten percent (10%) or greater equity or voting interest of such party; or (iii) any other Person for which a Person described in clause (ii) above acts in any such capacity. For purposes of the foregoing, "control" shall have the meaning provided by Rule 405 of the Securities Act of 1933, as amended, or any successor rule thereto.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"**Exhibits**" shall mean the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached thereto.

"**Knowledge**" of any Owner or words to that effect shall mean, include and refer to, such knowledge as (i) is actually possessed by any Owner, (ii) which any such Person should be possessed of through the exercise of reasonable inquiry and diligence, (iii) is contained in the books and records of Stat-Line or Liberty, or (iv) is actually or constructively possessed by any officer, manager or director of Stat-Line or Liberty.

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"Law" shall mean any code, law, ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a person or its assets, Liabilities or business, including those promulgated, interpreted or enforced by any Regulatory Authority.

"Liability" shall mean any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

"Merger Documents" shall mean this Agreement and the other documents and instruments to be delivered pursuant to this Agreement.

"Person" shall mean a natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert, or any person acting in a representative capacity.

"Regulatory Authorities" shall mean, collectively, all federal and state regulatory agencies having jurisdiction over the Parties and their respective affiliates.

"Taxes" shall mean any federal, state, county, local, foreign or other tax, charge, imposition or other levy (including interest or penalties thereon) including without limitation, income taxes, estimated taxes, excise taxes, sales taxes, use taxes, gross receipts taxes, franchise taxes, taxes on earnings and profits, employment and payroll related taxes, property taxes, real property transfer taxes, Federal Insurance Contributions Act taxes, any taxes or fees related to unclaimed property, taxes on value added and import duties, whether or not measured in whole or in part by net income, imposed by the United States or any political subdivision thereof or by any jurisdiction other than the United States or any political subdivision thereof.

"Tax Return" shall mean any and all returns, reports, filings, declarations and statements relating to Taxes that are required to be filed, recorded, or deposited with any Regulatory Authority, including any attachment thereto or amendment thereof.

(b) Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation."

ARTICLE X MISCELLANEOUS PROVISIONS

10.1 Notices.

(a) Any notice sent in accordance with the provisions of this Section 10.1 shall be deemed to have been received (even if delivery is refused or unclaimed) on the date which is: (i) the date of proper posting, if sent by certified U.S. mail or by Express U.S. mail or private

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overnight courier; or (ii) the date on which sent, if sent by facsimile transmission, with confirmation and with the original to be sent by certified U.S. mail, addressed as follows:

If to Stat-Line and
the Stat-Line Owner: Stat-Line Industries, Inc.
1626 Atlantic University Circle
Jacksonville, FL 32207
Attention: Robert A. Assaf
Facsimile Number: (904) 724-0226

If to Liberty and
the Liberty Owner: Liberty Ambulance Service, Inc.
1626 Atlantic University Circle
Jacksonville, FL 32207
Attention: Barbara J. Assaf
Facsimile Number: (904) 724-0226

(b) Any party hereto may change its address specified for notices herein by designating a new address by notice in accordance with this Section 10.1.

10.2 Expenses. Except as otherwise provided herein, each of the parties hereto shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including but not being limited to, the fees of attorneys and accountants retained by that party incident to the negotiation, preparation and execution of this Agreement.

10.3 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing, it will execute such additional instruments and take such actions as may be reasonably requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

10.4 Waiver. Any failure on the part of any party to comply with any of its obligations, agreements or conditions hereunder may be waived by any other party to whom such compliance is owed. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

10.5 Assignment. This Agreement shall not be assignable by any of the parties hereto without the written consent of all other parties.

10.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and assigns. This Agreement shall survive the Closing and not be merged therein.

10.7 Headings. The section and other headings in this Agreement are inserted solely as a matter of convenience and for reference, and are not a part of this Agreement.

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10.8 **Entire Agreement.** All Schedules and Exhibits attached to this Agreement are by reference made a part hereof. This Agreement and the Exhibits, Schedules, certificates and other documents delivered pursuant hereto or incorporated herein by reference, contain and constitute the entire agreement among the parties and supersede and cancel any prior agreements, representations, warranties, or communications, whether oral or written, among the parties relating to the transactions contemplated by this Agreement. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an agreement in writing signed by the party against whom or which the enforcement of such change, waiver, discharge or termination is sought.

10.9 **Governing Law; Severability.** This Agreement shall be governed by and construed in accordance with the Laws of the State of Florida, without regard to any applicable conflicts of Laws. The provisions of this Agreement are severable and the invalidity of one or more of the provisions herein shall not have any effect upon the validity or enforceability of any other provision. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the United States District Court for the Northern District of Florida or any court of the State of Florida located in the City of Jacksonville in any such action, suit or proceeding, and agrees that any such action, suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein), provided, however, that such consent to jurisdiction is solely for the purpose referred to in this Section and shall not be deemed to be a general submission to the jurisdiction of said courts or in the State of Florida other than for such purpose. Nothing herein shall affect the right of any party to serve process in any other manner permitted by Law or to commence legal proceedings or otherwise proceed against the other in any other jurisdiction.

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

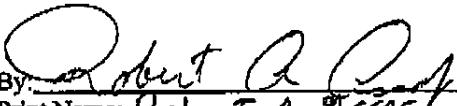
10.11 **Brokers.** Each party shall jointly and severally indemnify, hold harmless and defend the other parties and their affiliates from and against the payment of any and all broker's and finder's expenses, commissions, fees or other forms of compensation which may be due or payable from or by the indemnifying party, or which may have been earned by any third party acting on behalf of the indemnifying party in connection with the negotiation, execution and consummation of the transactions contemplated hereby.

10.12 **No Intention to Benefit Third Parties.** Nothing in this Agreement is intended to and shall not benefit any Person other than the parties hereto create any third party beneficiary right in any such other Person.


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IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf and its corporate seal to be hereunto affixed and attested by officers thereunto as of the day and year first above written.

LIBERTY AMBULANCE SERVICE, INC.,
a Florida corporation

By: 
Print Name: Robert A. Assaf
Print Title: PRESIDENT

STAT-LINE INDUSTRIES, INC.,
a Florida corporation

By: 
Print Name: Robert A. Assaf
Print Title: PRESIDENT

**ROBERT A. ASSAF LIVING TRUST DATED
DECEMBER 12, 2003**

By: 
Robert A. Assaf, Trustee

**BARBARA J. ASSAF LIVING TRUST DATED
DECEMBER 12, 2003**

By: 
Barbara J. Assaf, Trustee