

K60039

Florida Department of State
Division of Corporations
Public Access System

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H06000197603 3)))



H060001976033ABC%

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850)205-0380

From:

James C. Needles, Counsel
Account Name : AKERMAN, SENTERFITT & BIDSON, P.A.
Account Number : 075471001363
Phone : (305)374-5600
Fax Number : (305)374-5095

RECEIVED

06 AUG -7 AM 8:00

DIVISION OF CORPORATIONS

MERGER OR SHARE EXCHANGE

LOW COUNTRY INSULATION, INC.

| | |
|-----------------------|---------|
| Certificate of Status | 0 |
| Certified Copy | 1 |
| Page Count | 32 |
| Estimated Charge | \$78.75 |

42467-182980

SECRETARY OF STATE
TALLAHASSEE FLORIDA

06 AUG -7 PM 2:46

FILED

Electronic Filing Menu

Corporate Filing Menu

Help

Merger

(H06000197603)

FILED
06 AUG -7 PM 2:46
SECRETARY OF STATE
TALLAHASSEE FLORIDA**ARTICLES OF MERGER**
(Profit Corporations)

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

First: The name and jurisdiction of the surviving corporation:

| <u>Name</u> | <u>Jurisdiction</u> | <u>Document Number</u> (If known/ applicable) |
|-------------------------------------|---------------------|--|
| <u>Low Country Insulation, Inc.</u> | <u>Florida</u> | <u>K60039</u> |

Second: The name and jurisdiction of each merging corporation:

| <u>Name</u> | <u>Jurisdiction</u> | <u>Document Number</u> (If known/ applicable) |
|-------------------------|---------------------|--|
| <u>Vail Sales, Inc.</u> | <u>Florida</u> | <u>P97000042116</u> |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Third: The Plan of Merger is attached.

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

OR ____/____/____ (Enter a specific date. NOTE: An effective date cannot be prior to the date of filing or more than 90 days after merger file date.)

Fifth: Adoption of Merger by surviving corporation - (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the surviving corporation on _____.

The Plan of Merger was adopted by the board of directors of the surviving corporation on December 31, 2005 and shareholder approval was not required.

Sixth: Adoption of Merger by merging corporation(s) (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the merging corporation(s) on December 31, 2005.

The Plan of Merger was adopted by the board of directors of the merging corporation(s) on _____ and shareholder approval was not required.

(Attach additional sheets if necessary)

(H06000197603)

Seventh: SIGNATURES FOR EACH CORPORATION

Typed or Printed Name of Individual & Title

Roger Crawford, Chairman, President & CEO

Lisa Crawford, Chairman, President & CEO

Sole Shareholder, Officer and Director

(H0600197603)

AUG-07-08 10:48AM FROM-AKERMANTENTERFITT

305-374-5085

T-856 P.04/33 F-021

(H06000197603)

AGREEMENT AND PLAN OF MERGER

BY AND BETWEEN

VAIIS SALES, INC.

AND

LOW COUNTRY INSULATION, INC.

DECEMBER 31, 2005

(WP276891:1)

(H06000197603)

(H06000197603)

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (hereinafter called this "Agreement"), dated as of December 31, 2005, by and among VAIL SALES, INC., a Florida corporation ("VSI"), and LOW COUNTRY INSULATION, INC., a Florida corporation (the "Company"), ROGER CRAWFORD and LISA CRAWFORD (hereinafter sometimes referred to individually as a "Shareholder" and collectively as the "Shareholders").

WITNESSETH:

WHEREAS, Roger Crawford is the sole Shareholder of record of all of the issued and outstanding capital stock of the Company, consisting of an aggregate of 5,000 shares (the "Company Shares") of the Company's common stock, par value ten cents (\$.10) per share (the "Company Common Stock"); and

WHEREAS, the Company is a Florida corporation formed in February 1989 and is engaged in the business of mechanical insulation contracting and distribution; and

WHEREAS, VSI is a Florida corporation that was formed on May 8, 1997 and all of its issued and outstanding shares are owned by Lisa Crawford; and

WHEREAS, the respective Boards of Directors of VSI and the Company have approved the merger of VSI with and into the Company (the "Merger") upon the terms and subject to the conditions contained in this Agreement and in accordance with the applicable laws of the State of Florida; and

WHEREAS, the respective Boards of Directors of the Company have determined that the Merger is in furtherance of and consistent with their respective business strategies and is in the best interest of their respective shareholders and Lisa Crawford has approved this Agreement and the Merger as the sole shareholder of VSI and the Shareholders, by their signature to this Agreement, have approved this Agreement and the Merger; and

WHEREAS, it is the intent of the company and VSI that the Merger shall qualify as a Tax Free Reorganization as prescribed by, but not limited to the provisions of Section 368(a)(1)(C) of the Internal Revenue Code.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereby agree in accordance with the applicable provisions of the laws of the State of Florida and the applicable sections of the Internal Revenue Code that VSI be merged with and into the Company, which shall continue its existence as a Florida corporation and be the entity surviving the Merger (said entity called the "Surviving Entity"), and the terms and conditions of the Merger hereby agreed upon, which the parties covenant to observe, keep and perform and the mode of carrying out the same into effect are and shall be as hereinafter set forth:

(H06000197603)

(H06000197603)

ARTICLE I.**THE MERGER**

SECTION 1.1 Effective Date of the Merger. Consummation of this Agreement and the Merger shall be effected at the time on the date on which the last Written Consent in Lieu of Special Meeting of the Sole Shareholder and Sole Director of each respective company is executed in substantially the form annexed hereto as Exhibit 1.1 or the earliest date permitted by the Florida Statutes (the "Effective Date"). At the Effective Date, the separate existence and corporate organization of VSI, except as may be confirmed by statute, shall cease and VSI shall be merged with and into Low Country Insulation, Inc.

SECTION 1.2 Conversion of Company Shares in the Merger. The 2,000 VSI Shares shall, by virtue of the Merger, and without any action on the part of any of the Shareholders, be exchanged for 653 shares of the Company's common stock, par value \$.10 per share (the "LCI Common Stock"); the 653 shares of LCI Common Stock to be issued upon exchange of the VSI Shares as provided herein is hereinafter referred to as the "VSI Exchange").

SECTION 1.3 Procedures for Exchange. Lisa Crawford shall be entitled, upon surrender of her certificate or certificates representing that portion of the VSI Shares owned by her, upon surrender of such certificate or certificates, to receive therefore a certificate or certificates registered in her name representing her proportionate share of the LCI Exchange Shares as provided herein. Until so surrendered for exchange, each such outstanding certificate which prior to the Effective Date represented shares of VSI Common Stock shall be deemed for all corporate purposes to evidence ownership of the number of shares of LCI Common Stock into which such shares of LCI Common Stock shall have been so exchanged. After the Effective Date, there shall be no further registry of transfers on the records of the VSI Shares, and, if certificates representing any of such shares are presented to the Surviving Entity, they shall be cancelled and exchanged for certificates representing shares of LCI Common Stock. No dividends or distributions will be paid to persons entitled to receive certificates for shares of LCI Common Stock hereunder until such persons shall have surrendered their certificates which prior to the Effective Date represented VCI Shares, provided, however, that when certificates which prior to the Effective Date represented VCI Shares shall have been so surrendered, there shall be paid to the holders thereof, but without interest thereon, all dividends and other distributions payable subsequent to the Effective Date on the shares of LCI Common Stock into which such shall have been so exchanged. No certificates for LCI Common Stock shall be issued in a name other than in which the certificate for the Company Shares surrendered for exchange was registered.

SECTION 1.5 Rights, Privileges, Etc. Except as herein specifically set forth, the identity, existence, purposes, powers, objects, franchises, privileges, rights and immunities of VSI shall continue unaffected and unimpaired by the Merger and VSI shall be merged into LCI as the Surviving Entity and be fully vested therein. At the effective time of the Merger, the separate existence of VSI shall cease, and in accordance with the terms of this Agreement, the Surviving Entity shall possess all the rights, privileges, powers and franchises

(H06000197603)

(H06000197603)

and be subject to all the restrictions, disabilities and duties and all and singular, the rights, powers and franchises and all property, real, personal and mixed, and all debts due on whatever account, including stock subscriptions, and all other things in action and all and every other interest of or belonging to or due to VSI shall be taken and deemed to be transferred to and vested in the Surviving Entity without further act or deed; and all property, rights, privileges, powers and franchises, and all and every other interest shall thereafter become the property of the Surviving Entity as they were when each was a separate entity; and the title to any real estate, or interest therein, whether by deed or otherwise, under the laws of the State of Florida vested in either of said entities, shall not revert or be in any way impaired by reason of the Merger. The Surviving Entity shall thenceforth be responsible and liable for all the liabilities and obligations of the Entities, and any claim existing or action proceeding pending by or against either of said Entities may be prosecuted as if the Merger had not taken place, or the Surviving Entity may be substituted in its place. Neither the rights of the creditors nor any liens upon the property of either of the Constituent Entities shall be impaired by the Merger, and all debts, liabilities and duties of each of the Constituent Entities shall attach to the Surviving Entity, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

SECTION 1.6 Further Action. From time to time, as and when requested by VSI or the Surviving Entity, or by any of their successors or assigns, the other parties hereto shall execute and deliver, or cause to be executed or delivered, all such deeds and other instruments, and shall take or cause to be taken all such further action or actions, as the Surviving Entity, or its successors or assigns, or either of the parties hereto may deem necessary or appropriate in order to vest in and confirm to the Surviving Entity and its successors or assigns, title to, and possession of, all the property rights, privileges, powers and franchises referred to herein and otherwise to carry out the intent and purposes of this Agreement.

ARTICLE 2.

CONDITIONS PRECEDENT TO THE FILING OF THE CERTIFICATE OF MERGER

Each of the parties hereto agrees that the filing of the Certificate of Merger with the Secretary of State of the State of Florida shall be conditioned upon the prior or simultaneous satisfaction of the following conditions or waiver of such conditions by each of the parties:

SECTION 2.1 Directors and Officers. Lisa Crawford, as the sole officer and director of VSI shall tender her resignation as director and officer of VSI.

SECTION 2.2 LCI Officers' Certificate. Roger Crawford, the President and Secretary of LCI shall deliver, in his capacity as the sole officer and director of LCI, a certificate (the "LCI Officers' Certificate") for the benefit of VSI certifying that to the best of his knowledge, each of the representations and warranties of LCI are true and correct as of the Effective Date.

(H06000197603)

(H06000197603)

SECTION 2.3 VSI Officer's Certificate. Lisa Crawford, the President of VSI shall deliver, in her capacity as the sole officer and director of VSI, a certificate (the "VSI Officer's Certificate") for the benefit of LCI certifying that to the best of her knowledge, each of the representations and warranties of VSI are true and correct as of the Effective Date.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF THE SOLE SHAREHOLDER, LISA CRAWFORD

The sole Shareholder represents and warrants as follows:

SECTION 3.1 Authority to Execute and Perform Agreements. Such Shareholder has full power and capacity to execute and deliver this Agreement and any other agreement or instrument contemplated by this Agreement (such other agreements and instruments are hereinafter collectively referred to as the "Transaction Documents") and to consummate the transactions contemplated hereunder and thereunder (the "Transactions"). This Agreement has been duly executed and delivered and is the valid and binding obligation of such Shareholder enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of any court before which any proceeding may be brought. Other than any filings that may be required pursuant to the filing of the Certificate of Merger with the Secretary of State of Florida, the execution and delivery of this Agreement and the Transaction Documents, the consummation of the Transactions and the performance by such Shareholder of this Agreement and each of the Transaction Documents in accordance with its respective terms and conditions will not require the approval, consent of, waiver, order or authorization of, notification to, or registration, declaration or filing with, any Federal, state, county, local or other governmental or regulatory body or the approval or consent of any other person.

SECTION 3.2 Ownership of Company Shares. (a) Such Shareholder owns, beneficially and, of record, 2000 Shares being exchanged hereunder, free and clear of any and all liens, charges or encumbrances of any kind or nature whatsoever; (b) such Shareholder is not bound by or subject to any voting trust arrangement, proxy, voting agreement, operating agreement, purchase agreement or other agreement or understanding (i) granting any option, warrant or other right to purchase all or any of her VSI Shares to any person, (ii) restricting her right to sell or convey her VSI Shares, or (iii) otherwise restricting any rights with respect to her VSI Shares (including restrictions as to the voting or disposition of such Company Shares); and (c) such Shareholder has the absolute and unrestricted right, power and capacity to assign and transfer her VSI Shares.

SECTION 3.3 Litigation and Claims. There is no suit, action, proceeding, claim or investigation pending or to the best knowledge of such Shareholder,

(H06000197603)

(H66000 197603)

threatened against or affecting such Shareholder that would have a material adverse effect on the assets, business or financial condition of such Shareholder or VSI or the ability of such Shareholder to perform her obligations under this Agreement.

SECTION 3.4 Certain Payments. Such Shareholder, directly or indirectly, has not given or agreed to give or solicited or received any gift, rebate or similar benefit to any customer, supplier, governmental employee or other person or entity that might subject VSI, LCI or the surviving Entity to any damage or penalty in any civil, criminal or governmental litigation or proceeding or if not given in the past might have had an adverse effect on the assets, Business, operations or prospects of VSI.

SECTION 3.5 Restrictions on Transferability. The Shareholder acknowledges that none of the LCI Conversion Shares are being registered under the Securities Act of 1933, as amended (the "Act"), and are being exchanged hereunder pursuant to an exemption that requires that the further transfer of such shares be restricted under the Act. Each of the Shareholders is delivering to LCI at, or prior to, the Effective Date an investment letter acknowledging the foregoing and agreeing to comply with the requirements of such exemption. In order to further evidence such restriction on transferability, each of the Shareholders hereby agrees to the imposition of a customary restrictive legend on the face or back of each certificate representing the LCI Conversion shares.

ARTICLE 4.

REPRESENTATIONS AND WARRANTIES OF VSI

VSI represents and warrants to LCI as follows:

SECTION 4.1 Due Formation and Qualification. VSI is a corporation duly formed, validly existing and in good standing under the laws of Florida, has all requisite power and authority to own, lease and operate its assets and properties and to conduct its business as now being and as heretofore conducted. VSI is not doing business in any other jurisdiction where qualification is required or the failure to qualify would have a material adverse effect on the Business or operations of the Company.

SECTION 4.2 Authorization. VSI has the corporate power to enter into and to perform the terms and provisions of this Agreement. This Agreement has been duly approved by the Board of Directors of VSI and the Shareholders, and constitutes the legal, valid and binding obligation of VSI enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of any court before which any proceeding may be brought.

(H66000 197603)

(H06000197603)

SECTION 4.3 Subsidiaries and Affiliates. VSI does not, directly or indirectly, own any shares of stock or other equity interest (including any form of profit participation) in, has not made any investment in, and does not control or have any proprietary interest in, any corporation, partnership, joint venture or other business association or entity.

SECTION 4.4 Certificate of Incorporation, Operating Agreement and By-Laws. VSI has delivered to LCI true and complete copies of its Certificate of Incorporation and By-Laws.

SECTION 4.5 Capitalization. The authorized capital of VSI consists of 2000 shares of VSI Common Stock and the VSI Shares are the only shares of capital stock of VSI issued and outstanding. The VSI Shares have been validly issued and are, fully paid and non-assessable. There are no authorized or outstanding options, warrants, subscription calls, rights (including preemptive rights and rights to demand registration under the Act, commitments, conversion rights, plans or other agreements of any character obligating VSI to authorize, issue, deliver, sell or redeem any shares of its capital stock or any securities convertible into or evidencing the right to purchase any capital stock of VSI.

SECTION 4.6 Directors and Officers. Lisa Crawford is the sole Director and Officer of VSI.

SECTION 4.7 Financial Statements; Financial Matters.

(a) Annexed hereto as Schedule 4.7 (a) is the statement of financial position (balance sheet) of VSI as at 2005, and the related compiled statements (without notes) of operations, retained earnings (or deficit) and changes in financial position (cash flow) as at, and for the year then ended, or for such shorter period for which VSI its predecessors have been in existence as compiled by Pereira & Associates, Certified Public Accountants (collectively the "VSI Financials").

(b) The VSI Financials are (i) in accordance with the books and records of VSI, as applicable, (ii) correct and complete, (iii) fairly present the combined financial position and results of operations of VSI, as of the dates indicated, and (iv) prepared in accordance with generally accepted accounting principles applied on a consistent basis ("GAAP") (except that (x) unaudited financial statements may not be in accordance with GAAP because of the absence of footnotes normally contained therein and (y) interim (unaudited financials) are subject to normal year-end audit adjustments that in the aggregate will not have a material adverse effect on the Business, properties, assets, operations, liabilities, financial condition or prospects of VSI).

SECTION 4.8 Liabilities. Except as set forth on Schedule 4.8 annexed hereto, as of the date hereof, VSI has no direct or indirect indebtedness, liability, claim, loss, damage, deficiency, obligation or responsibility, known, or unknown, fixed or unfixed, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise,

(H06000197603)

(1466000 197 603)

including, without limitation, liabilities on account of taxes, other governmental charges or lawsuits brought ("Liabilities") except as incurred in the ordinary course of business or as otherwise set forth on Schedule 4.8.

SECTION 4.9 Absence of Certain Changes. Since December 31, 2005, there has been no material adverse change in the condition, financial or otherwise, of VSI other than changes occurring in the ordinary course of business which changes have not, individually or in the aggregate, had a material adverse effect on the Business, properties, assets, operations, liabilities, financial condition or prospects of VSI.

SECTION 4.10 Tax Matters. VSI has filed all Federal, state, county and local income tax, franchise tax, real and personal property tax, payroll tax, occupation tax, sales tax, excise tax, and other tax returns which each is required to file, the failure to file which would materially adversely affect the assets, properties, Business, operations or financial condition or prospects of VSI taken as a whole, and has paid, reserved or provided for all taxes shown on such returns, and all deficiencies or other assessments of tax, interest or penalties which have been served on or delivered to VSI. There are no claims with respect to Federal, state, county, local, foreign or other taxes. None of the Federal income tax returns of VSI have been audited by the Internal Revenue Service. To the best knowledge of VSI, there is no unassessed tax deficiency proposed or threatened against VSI. No audit of any tax return of VSI is in progress. There are not in force any extensions of time with respect to the date on which any tax return was or is due to be filed by VSI or any waivers or agreements by VSI for an extension of time for the assessment or payment of any tax.

SECTION 4.11 Real and Personal Property - Leased to VSI. VSI is not the lessee of any real property or personal property except as set forth on Schedule 4.11.

SECTION 4.12 Title. VSI'S Interim Balance Sheet reflects all of the material assets and properties of VSI, except to the extent VSI has acquired or disposed of any assets and properties, in the ordinary course of its business since the last Interim Balance Sheet. VSI owns outright and has good and marketable title to all of its assets and properties, in each case free and clear of any lien or other encumbrance except for liens, claims, encumbrances or security interests reflected in VSI's Interim Balance Sheet. The assets and properties owned by VSI, as reflected on VSI'S Interim Balance Sheet, are adequate to permit VSI to conduct the Business as presently conducted and to continue to conduct the Business after the date of this Agreement.

SECTION 4.13 Intellectual Property. VSI owns no intellectual property.

SECTION 4.14 Contracts and Other Agreements. Schedule 4.14 annexed hereto sets forth, as of the date of this Agreement, all contracts, commitments, understandings, arrangements and other agreements to which VSI is a party. There have been delivered or made available to LCI true and complete copies of all the Contracts and other agreements set forth on Schedule 4.14 or on any other Schedule. All of the Contracts are valid, subsisting, in full force and effect and binding upon the parties thereto in accordance with their terms, and VSI has paid in full or accrued all amounts due thereunder and have satisfied in full or provided for all of its liabilities and obligations thereunder, and are not in default in any material respect under any of them, nor, to the best knowledge of VSI, is any other party to any Contract in default thereunder, nor, to the best knowledge of VSI, does any condition exist that with

(1466000 197 603)

(H66000197603)

notice or lapse of time or both would constitute a default thereunder that would give the other party thereto the right to terminate such Contract.

SECTION 4.15 Insurance. Annexed hereto as Schedule 4.15 is a list of all policies of insurance covering VSI (specifying the insurer, amount of coverage, type of insurance, policy number and any pending claims thereunder). True copies of all such policies have been made available by VSI to LCI. To the best knowledge of VSI, VSI has not failed to give any notice or present any material claim under any insurance policy in due and timely fashion.

SECTION 4.16 Litigation; Actions and Proceedings. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental, administrative or regulatory body or arbitration or mediation tribunal against or involving VSI. There are no actions, suits or claims or legal, administrative, regulatory, governmental or arbitral proceedings or investigations (whether or not the defense thereof or liabilities in respect thereof are covered by insurance) pending or, to the best knowledge of VSI, threatened against or involving VSI or any of its or their properties or assets, nor, to the best knowledge of VSI, are there any grounds therefore, that individually or in the aggregate, could have a material adverse effect upon the transactions contemplated hereby or upon the assets, properties, Business, operations, or condition (financial or otherwise) of VSI. There are no actions, suits or claims or legal, administrative, regulatory, governmental or arbitral proceedings pending or, to the best knowledge of VSI, threatened that would give rise to any right of indemnification on the part of any director, officer or manager of VSI, or the heirs, executors or administrators of such director, officer or manager, against VSI or any successor to the Business.

SECTION 4.17 Operations of the Company and the Company Subsidiaries. (a) Since December 31, 2005, VSI has not:

(i) amended its Certificate of Formation, Operating Agreement or By-Laws or merged with or into or consolidated with any other person, subdivided or in any way reclassified any shares of its capital stock or changed or agreed to change in any manner the rights of its outstanding capital stock or the character of its business;

(ii) issued or sold or purchased, or issued options or rights to subscribe to, or entered into any contracts or commitments to issue or sell or purchase, any shares of its capital stock;

(iii) entered into or amended any employment agreement (other than employment agreements or at will employment arrangements entered into or amended in the ordinary course of the Company's business), entered into or amended any agreement with any labor union or association representing any employee, adopted, entered into, or amended any employee benefit plan;

(iv) except in the ordinary course of business and not in excess of \$10,000 (individually or in the aggregate), incurred any indebtedness for borrowed money;

(v) declared or paid any dividends or declared or made any other distributions of any kind to the Shareholders (other than salaries for services paid in the ordinary and consistent with

(H66000197603)

(H06000197603)

past practice), or made any direct or indirect redemption, retirement, purchase or other acquisition of any of its limited liability company interests;

(vi) materially reduced its cash or short term investments or their equivalent;

(vii) waived any right of material value to its business;

(viii) made any change in its accounting methods or practices or made any change in depreciation or amortization policies or rates adopted by it;

(ix) materially changed any of its business policies;

(x) granted or paid any wage or salary increase in excess of \$5,000 per annum, or any bonus in excess of \$5,000, or any increase in any other direct or indirect compensation, for or to any of its officers, directors, employees, consultants, agents, brokers, independent contractors or other representatives, or any accrual for or commitment or agreement to make or pay the same;

(xi) made any loan or advance to any of the Shareholders, its, officers, managers, employees, consultants, agents, brokers, independent contractors or other representatives (other than travel, entertainment or business expense advances made in the ordinary course of business), or made any other loan or advance otherwise than consistently with past practice in the ordinary course of business;

(xii) made any payment or commitment to pay any severance or termination pay to any of its officers, directors, consultants, agents, brokers, independent contractors or other representatives, other than payments or commitments to pay persons other than its officers, managers or the Shareholders made in the ordinary course of business;

(xiii) entered into any lease (as lessor or lessee); sold, abandoned or made any other disposition of any of its assets or properties (except in the ordinary course of business); granted or suffered any lien or other encumbrance on any of its assets or properties; entered into (except in the ordinary course of business) or amended any contract or other agreement to which it is a party, or by or to which it or its assets or properties are bound or subject, or pursuant to which it agrees to indemnify any party or to refrain from competing with any party;

(xiv) except in the ordinary course of business and in amounts less than \$25,000 in each case, incurred or assumed any Liability;

(xv) made any acquisition of or entered into any agreement to acquire all or any part of the assets, properties, capital stock or business of any other person;

(xvi) failed to pay timely any of its material liabilities in accordance with their terms; and

(xvii) except in the ordinary course of business, entered into any other material contract or other agreement or other material transaction.

SECTION 4.18 Compliance with Laws. VSI is not in default under, or in violation of, any applicable order, judgment, injunction, award or decree, any material applicable federal, state, or local statute, law, ordinance, rule or regulation, including without limitation, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the provisions of any franchise or license, or of any other material requirement of any governmental, regulatory, administrative or industry body, court or arbitrator applicable to VSI or the Business. VSI is not in default under or in violation of any provisions of its Certificate of Incorporation, Certificate of

(H06000197603)

(H06000197603)

Formation, Operating Agreement or its By-Laws, as may be applicable, or any material instrument, contract, mortgage, indebtedness, indenture or other agreement to which VSI is a party or by or to which VSI or any of their respective assets or properties may be bound or subject.

SECTION 4.19 Licenses, Permits and Certificates. VSI has all material licenses, permits, certificates, authorizations, approvals and consents required by any governmental authority to legally operate the Business as now operated. No governmental, regulatory or industry permits, consents, waivers, approvals or authorizations are necessary in connection with the consummation of the Transactions or to permit VSI to conduct the Business after the date hereof in the manner and to the extent presently conducted and contemplated to be conducted.

SECTION 4.20 No Conflicts. The execution, delivery and performance of the Transaction Documents by VSI and the consummation of the Transactions will not (a) result in a violation of the VSI's Certificate of Incorporation or By-Laws, (b) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture or instrument to which VSI is a party, or (c) result in a violation of any law, rule, regulation, by-law, directive, order, judgment or decree (including federal, state, provincial and municipal securities laws and regulations) applicable to VSI or by which any of its property or assets is bound or affected, except to the extent that matters within clauses (b) and (c) immediately above would not have a material adverse effect on the Business, properties, assets, operations, liabilities, financial condition or prospects of VSI, or the ability of VSI to perform this Agreement and the other Transaction Documents.

SECTION 4.21 Labor Agreements, Employee Benefit Plans, and Employment Agreements. VSI is not a party to (a) any union collective bargaining, works council, or similar agreement or arrangement, (b) any qualified or non-qualified pension, retirement, severance, profit-sharing, deferred compensation, bonus, stock option, stock purchase, retainer, consulting, health, welfare or incentive plan or agreement, (c) any plan or policy providing for employee benefits, including but not limited to vacation, disability, sick leave, medical, hospitalization, life and other insurance plans, and related benefits, or (d) any employment agreement. VSI is not a party to any "employee leasing" agreement or arrangement and VSI has no liability in respect of any such agreement or arrangement to which it was, at any time, a party, but which is no longer in effect.

SECTION 4.22 Books and Records. The books of account and other corporate records of VSI made or to be made available to LCI in connection with the Transactions and the due diligence inquiries made by LCI in connection herewith, are in all respects complete and correct, have been maintained in accordance with good business practices and the matters contained therein are accurately reflected on the financial statements of VSI furnished hereunder VSI to LCI.

(H06000197603)

(H06000197603)

SECTION 4.23 Accounts Receivable. All accounts receivable of VSI reflected on VSI's Interim Balance Sheet or on the accounting records of VSI as of the date hereof (collectively, the "Accounts Receivable"), represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business. The reserves shown on VSI's Interim Balance Sheet or on the accounting records of VSI as of the date hereof with respect to the Accounts Receivable are adequate and consistent with past practice. There is no contest, claim, or right of set-off in any agreement with any maker of an Account Receivable relating to the amount or validity of such Account Receivable.

SECTION 4.24 Certain Payments. Neither VSI nor, to the best know of VSI, any officer, employee, manager, agent or affiliate of VSI, has, directly or indirectly, given or agreed to give or solicited or received any gift, rebate or similar benefit to any customer, supplier, governmental employee or other person or entity which (i) might subject VSI or LCI to any damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given in the past might have had an adverse effect on the assets, business or operations of VSI or (iii) if not continued in the future might adversely affect the assets, business, operations or prospects of VSI.

SECTION 4.25 Full Disclosure All documents and other papers delivered by or on behalf of VSI in connection with this Agreement and the Transactions are, to the best of VSI's knowledge, authentic and true and complete in all material respects. No representation or warranty of VSI, and no document or other paper furnished by or on behalf of VSI pursuant to this Agreement or in connection with the Transactions, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made in the context in which made, not false or misleading. To VSI's best knowledge, there is no fact that VSI has not disclosed to LCI that materially adversely affects, or so far as the Company can now foresee, will materially adversely affect, the Business or the assets, properties, operations or condition (financial or otherwise) of VSI or the ability of the Shareholders to perform this Agreement.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF LCI

LCI represents and warrants to VSI as follows:

SECTION 5.1 Due Incorporation and Qualification. LCI is a corporation duly incorporated, validly existing and in good standing under the laws of Florida, and has all requisite power and authority to own, lease and operate its assets, properties and business and to conduct its business as now being and as heretofore conducted. LCI is not qualified to do business as a foreign corporation in any jurisdiction, and is not doing business in any jurisdiction, where qualification is required or the failure to qualify would have a material adverse effect on the business or operations of LCI.

SECTION 5.2 Authority to Execute and Perform Agreements. LCI has full authority to execute and deliver this Agreement and the other Transaction Documents, and the consummation of the Transactions have been duly authorized by all necessary corporate action of LCI. This Agreement has been duly and validly authorized by the Board of Directors

(H06000197603)

(H06000197603)

of LCI has been duly executed and delivered on behalf of LCI and is the valid and binding obligation of LCI enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of any court before which any proceeding may be brought. enforcement. Other than the filing of a Certificate of Merger with the Secretary of State of Florida following the consummation of the Transaction, the execution and delivery of this Agreement, the consummation of the Transaction and the performance by LCI of this Agreement in accordance with its terms and conditions will not require the approval, consent of, waiver, order or authorization of, notification to, or registration, declaration or filing with, any Federal, state, county, local or other governmental or regulatory body or the approval or consent of any other person.

SECTION 5.3 Subsidiaries and Affiliates. LCI does not, directly or indirectly, own any shares of stock or other equity interest (including any form of profit participation) in, has not made any investment in, and does not control or have any proprietary interest in any corporation, partnership, joint venture or other business association or entity.

SECTION 5.4 Officers and Directors. Roger Crawford is the sole director and shareholder of LCI prior to the consummation of this transaction.

SECTION 5.5 Articles of Incorporation, By-Laws, Etc. LCI has delivered to the Shareholders (a) true and complete copies of its Certificate of Incorporation and By-Laws as in effect on the date hereof.

SECTION 5.6 Capitalization.

(a) The total authorized capital stock of LCI consists of 50,000 shares of LCI Common Stock, of which 5,000 shares are validly issued and outstanding, fully paid and non-assessable. There are no outstanding options, warrants, subscription calls, rights (including preemptive rights and rights to demand registration under the Act), commitments, conversion rights, plans or other agreements of any character obligating LCI to authorize, issue, deliver, sell or redeem any shares of its capital stock or membership interests, as the case may be, any securities convertible into or evidencing the right to purchase any shares of such stock or membership interests.

(b) The LCI Conversion Shares to be issued to the Shareholders pursuant to this Agreement, will, when issued in accordance with the terms of this Agreement, be validly issued, fully paid and non-assessable.

SECTION 5.7 Financial Statements.

(a) LCI has provided VSI with the reviewed balance sheets (with notes) of LCI as of December 31, 2005, and the related statements of income, stockholders' equity and cash flows for the two years then ended, together with the unqualified report thereon (except with respect to continuation as a going concern) of Pereira & Associates, Certified Public Accountants (collectively, "LCI's Financials").

(b) Included is the reviewed balance sheet of LCI as of December 31, 2005, and the related statements of operations and cash flows for the years then ended, as reviewed by Pereira & Associates, Certified Public Accountants.

(H06000197603)

(H06000197603)

(c) LCI's Financials are (i) in accordance with the books and records of LCI, (ii) correct and complete, (iii) fairly present the financial position and results of operations of LCI as of the dates indicated, and (iv) prepared in accordance with GAAP (except that (x) unaudited financial statements may not be in accordance with GAAP because of the absence of footnotes normally contained therein, and (y) interim (unaudited) financials are subject to normal year-end audit adjustments that in the aggregate will not have a material adverse effect on the business, properties, assets, operations, liabilities, financial condition or prospects of LCI).

SECTION 5.8 Liabilities. As of the date hereof, LCI has no direct or indirect indebtedness, liability, claim, loss, damage, deficiency, obligation or responsibility, known, or unknown, fixed or unfixed, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise, including, without limitation, liabilities on account of taxes, other governmental charges or lawsuits brought ("Liabilities"), other than (i) Liabilities fully and adequately reflected or reserved against on the LCI's Balance Sheet and (ii) Liabilities incurred in connection with the preparation and execution of this Agreement and the consummation of the Transactions which do not in any event exceed \$10,000. LCI has no knowledge of any past or existing circumstance, condition, event or arrangement that may hereafter give rise to any Liabilities of LCI, or any successor to its business except in the ordinary course of business.

SECTION 5.9 Tax Matters. LCI has filed all Federal, state, county and local income tax, franchise tax, real and personal property tax, payroll tax, occupation tax, sales tax, excise tax, and other tax returns which it is required to file, the failure to file which would materially adversely affect the assets, properties, business, operations or financial condition or prospects of LCI, and has paid, reserved or provided for all taxes shown on such returns, and all deficiencies or other assessments of tax, interest or penalties which have been served on or delivered to LCI. There are no claims against LCI with respect to Federal, state, county, local, foreign or other taxes. The Federal income tax returns of LCI have never been audited by the Internal Revenue Service. To the best knowledge of LCI, there is no unassessed tax deficiency proposed or threatened against LCI. No audit of any tax return of LCI is in progress. There are not in force any extensions of time with respect to the date on which any tax return was or is due to be filed by LCI or any waivers or agreements by LCI for an extension of time for the assessment or payment of any tax.

SECTION 5.10 Real and Personal Property - Leased to LCI. LCI is not a party to or otherwise bound by any lease of real or personal property except as set forth on Exhibit 5.11 annexed hereto.

SECTION 5.11 Contracts and Other Agreements. Schedule 5.11 annexed hereto sets forth, as of the date of this Agreement, all contracts, commitments, understandings, arrangements and other agreements to which LCI is a party or by or to which any of LCI's properties are bound or subject (collectively also referred to herein as the "Contracts"). There have been delivered or made available to the Shareholders true and complete copies of all the Contracts and other agreements set forth on Schedule 5.11 or on any

(H06000197603)

(H06000197603)

other Schedule. All of the Contracts are valid, subsisting, in full force and effect and binding upon the parties thereto in accordance with their terms, and LCI has paid in full or LCI has accrued all amounts due thereunder and LCI has satisfied in full or LCI provided for all of its liabilities and obligations thereunder, and is not in default in any material respect under any of them, nor, to the best knowledge of LCI, is any other party to any Contract in default thereunder, nor, to the best knowledge of LCI, does any condition exist that with notice or lapse of time or both would constitute a default thereunder that would give the other party thereto the right to terminate such Contract. No approval or consent of any person is needed in order that the Contracts set forth on Schedule 5.11 or on any other Schedule continue in full force and effect following the consummation of the Transactions.

SECTION 5.12 Litigation; Actions and Proceedings. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental, administrative or regulatory body or arbitration or mediation tribunal against or involving LCI. There are no actions, suits or claims or legal, administrative, regulatory, governmental or arbitral proceedings or investigations (whether or not the defense thereof or liabilities in respect thereof are covered by insurance) pending or, to the best knowledge of LCI, threatened against or involving LCI or any of their properties or assets, nor, to the best knowledge of LCI, are there any grounds therefor, that individually or in the aggregate, could have a material adverse effect upon the transactions contemplated hereby or upon the assets, properties, business, operations, or condition (financial or otherwise) of LCI. There are no actions, suits or claims or legal, administrative, regulatory, governmental or arbitral proceedings pending or, to the best knowledge of LCI, threatened that would give rise to any right of indemnification on the part of any director or officer of LCI, or the heirs, executors or administrators of such director, officer or Manager, against LCI or any successor to their businesses.

SECTION 5.13 Operations of LCI. (a) Since December 31, 2005, LCI has not:

(i) amended its Certificate of Incorporation, By-Laws, Certificate of Formation or Operating Agreement, as the case may be, or merged with or into or consolidated with any other person, subdivided or in any way reclassified any shares of its capital stock or changed or agreed to change in any manner the rights of its outstanding capital stock or the character of its business;

(ii) issued or sold or purchased, or issued options or rights to subscribe to, or entered into any contracts or commitments to issue or sell or purchase, any shares of its capital stock;

(iii) entered into or amended any employment agreement (other than employment agreements or at will employment arrangements entered into or amended in the ordinary course of AMS's business), entered into or amended any agreement with any labor union or association representing any employee, adopted, entered into, or amended any employee benefit plan;

(iv) incurred any indebtedness for borrowed money;

(v) declared or paid any dividends or declared or made any other distributions of any kind to its stockholders, or made any direct or indirect redemption, retirement, purchase or other acquisition of any shares of its capital stock;

(H06000197603)

(H06000197603)

- (vi) materially reduced its cash or short term investments or their equivalent;
- (vii) waived any right of material value to its business;
- (viii) made any change in its accounting methods or practices or made any change in depreciation or amortization policies or rates adopted by it;
- (ix) materially changed any of its business policies;
- (x) approved, granted or paid any wage or salary increase in excess of \$5,000 per annum, or any bonus in excess of \$5,000, or any increase in any other direct or indirect compensation, for or to any of its officers, directors, employees, consultants, agents, brokers, independent contractors or other representatives, or any accrual for or commitment or agreement to make or pay the same;
- (xi) made any loan or advance to any of its stockholders, officers, directors, employees, consultants, agents, brokers, independent contractors or other representatives (other than travel, entertainment or business expense advances made in the ordinary course of business), or made any other loan or advance otherwise than consistently with past practice in the ordinary course of business;
- (xii) made any payment or commitment to pay any severance or termination pay to any of its officers, directors, consultants, agents, brokers, independent contractors or other representatives, other than payments or commitments to pay persons other than its officers, directors or stockholders made in the ordinary course of business;
- (xiii) entered into any lease (as lessor or lessee); sold, abandoned or made any other disposition of any of its assets or properties (except in the ordinary course of business); granted or suffered any lien or other encumbrance on any of its assets or properties; entered into (except in the ordinary course of business) or amended any contract or other agreement to which it is a party, or by or to which it or its assets or properties are bound or subject, or pursuant to which it agrees to indemnify any party or to refrain from competing with any party;
- (xiv) except in the ordinary course of business and in amounts less than \$5,000 in each case and except in connection with the preparation and execution of this Agreement and the consummation of the Transactions, incurred or assumed any Liability;
- (xv) made any acquisition of or entered into any agreement to acquire all or any part of the assets, properties, capital stock or business of any other person;
- (xvi) failed to pay timely any of its material liabilities in accordance with their terms or otherwise in the ordinary course of business; and
- (xvii) except in the ordinary course of business, entered into any other material contract or other agreement or other material transaction.

SECTION 5.14 Compliance with Laws. LCI is not in default under or in violation of any applicable order, judgment, injunction, award or decree, of any material applicable Federal, state, or local statute, law, ordinance, rule or regulation including, without limitation, ERISA or the provisions of any franchise or license, or of any other material requirement of any governmental, regulatory, administrative or industry body, court or arbitrator applicable to LCI. LCI is not in default under or in violation of any provisions of its Certificate

(H06000197603)

(406000197603)

of Incorporation, By-Laws, Certificate of Formation or Operating Agreement, as the case may be, or any material instrument, contract, mortgage, indebtedness, indenture or other agreement to which LCI is a party or by or to which either or any of their assets or properties may be bound or subject.

SECTION 5.15 Licenses, Permits and Certificates. LCI has all material licenses, permits, certificates, authorizations, approvals and consents from any governmental authority required to legally operate its business. No governmental, regulatory or industry permits, consents, waivers, approvals or authorizations are necessary in connection with the consummation of the Transactions, except for the filing of the Certificate of Merger with the Secretary of State of Florida.

SECTION 5.16 No Conflicts. The execution, delivery and performance of the Transaction Documents by LCI and the consummation by LCI of the Transactions will not (a) result in a violation of LCI's Certificate of Incorporation or By-Laws or LCI's Certificate of Formation and Operating Agreement, (b) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture or instrument to which LCI is a party, or (c) result in a violation of any law, rule, regulation, by-law, directive, order, judgment or decree (including Federal, state, provincial and municipal securities laws and regulations) applicable to LCI or by which any of their property or assets is bound or affected, except to the extent that matters within clauses (b) and (c) immediately above would not have a material adverse effect on the business, properties, assets, operations, liabilities, financial condition or prospects of LCI, or the ability of LCI to perform this Agreement and the other Transaction Documents.

SECTION 5.17 Labor Agreements, Employee Benefit Plans and Employment Agreements. LCI is not a party to (a) any union collective bargaining, works council, or similar agreement or arrangement, (b) any qualified or non-qualified pension, retirement, severance, profit-sharing, deferred compensation, bonus, stock option, stock purchase, retainer, consulting, health, welfare or incentive plan or agreement, oral or written, whether legally binding or not, excepting LCI's 401(k) qualified pension plan, (c) any plan or policy providing for employee benefits, including but not limited to vacation, disability, sick leave, medical, hospitalization, life and other insurance plans, and related benefits, or (d) any employment agreement. LCI is not a party to any "employee leasing" agreement or arrangement, nor does LCI have any liability in respect of any such agreement or arrangement to which either was, at any time, a party, but which is no longer in effect.

SECTION 5.18 Books and Records. The books of account and other corporate records of LCI made or to be made available to the Shareholders in connection with the Transactions and the due diligence inquiries made by the Shareholders in connection herewith, are in all respects complete and correct and have been maintained in accordance with good business practices and the matters contained therein are accurately reflected in all material

(406000197603)

(H06000197603)

respects on the financial statements of LCI furnished or to be furnished hereunder by LCI to the Shareholders.

SECTION 5.19 Ownership of the LCI Conversion Shares, Etc. (a) LCI is not bound by or subject to any voting trust arrangement, proxy, voting agreement, stockholder agreement, purchase agreement or other agreement or understanding, except as contemplated hereunder, (i) granting any option, warrant or other right to purchase all or any of the LCI Conversion Shares to any person, (ii) restricting the right of LCI to issue the LCI Conversion Shares, or (iii) otherwise restricting any rights of LCI with respect to the LCI Conversion Shares (including restrictions as to the voting or disposition of the LCI Conversion Shares); (b) LCI has the absolute and unrestricted right, power and capacity to issue the LCI Conversion Shares, and (c) upon issuance to the Shareholders of the LCI Conversion Shares hereunder, the Shareholders will acquire good and valid title to the LCI Conversion Shares, free and clear of any liens, charges or encumbrances except as contemplated hereunder and those restrictions arising from federal and state securities laws.

SECTION 5.20 Absence of Certain Changes. Since December 31, 2005, there has been no material adverse change in the condition, financial or otherwise, of LCI, other than changes occurring in the ordinary course of business which changes have not, individually or in the aggregate, had a material adverse effect on the business, properties, assets, operations, liabilities, financial condition or prospects of LCI.

SECTION 5.21 Full Disclosure. All documents and other papers delivered by or on behalf of LCI in connection with this Agreement and the Transactions are, to the best knowledge of LCI, authentic and true and complete in all material respects. No representation or warranty of LCI contained in this Agreement, and no document or other paper furnished by or on behalf of LCI pursuant to this Agreement or in connection with the Transactions, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made in the context in which made, not false or misleading. To the best knowledge of LCI, there is no fact that LCI has not disclosed to the Shareholders that materially adversely affects, or so far as LCI can now foresee, will materially adversely affect, the assets, properties, business, operations or condition (financial or otherwise) of LCI or the ability of LCI to perform this Agreement.

ARTICLE 6 OTHER MATTERS

As an additional inducement to each of the parties hereto to execute this Agreement and consummate the Transactions, the parties hereto agree as follows:

{WPZ76891;}

{WPZ76891;1}18

(H06000197603)

(H06000197603)

SECTION 6.1 Expenses. The Company agrees to bear all of the expenses of VSI incurred in connection with the preparation, execution and performance of this Agreement and the Transactions.

ARTICLE 7

INDEMNIFICATION; SURVIVAL

SECTION 7.1 Obligation of the Shareholders to Indemnify.

Each of the Shareholders, severally and not jointly, agrees to indemnify, defend and hold harmless LCI and their stockholders/members as of the date of this Agreement and their respective directors, officers, managers, heirs, legal representatives, successors and assigns, from and against all losses, liabilities, damages, deficiencies, actions, suits, proceedings, claims, demands, orders, assessments, amounts paid in settlement, fines, and reasonable costs and expenses (including interest, penalties and reasonable attorneys' fees and disbursements and reasonable investigative costs) (collectively, "Losses") based upon, arising out of or otherwise in respect of (i) any breach in any of the representations and warranties of such Shareholder in this Agreement and (ii) any breach or non-fulfillment of any of the covenants or agreements of such Shareholder contained in this Agreement.

SECTION 7.2 Obligations of VSI to Indemnify.

VSI agrees to indemnify, defend and hold harmless LCI, and their stockholders/members as of the date of this Agreement and their respective directors, officers, managers, heirs, legal representatives, successors and assigns, from and against any Losses based upon, arising out of or otherwise in respect of (i) any breach in any of the representations and warranties of the Company set forth in this Agreement and (ii) any breach or nonfulfillment of any covenant or agreement of the Company contained in this Agreement.

SECTION 7.3 Obligations of LCI to Indemnify.

LCI agrees to indemnify, defend and hold harmless the Shareholders, and their respective directors, officers, heirs, legal representatives, successors and assigns, from and against any Losses based upon, arising out of or otherwise in respect of (i) any breach in any of the representations and warranties of LCI set forth in this Agreement and (ii) any breach or nonfulfillment of any covenant or agreement of LCI contained in this Agreement.

SECTION 7.4 Claims Notice.

Each party hereto (an "Indemnified Party") shall, promptly upon becoming aware of any event or circumstance (an "Indemnifiable Event") which, in his, her or its reasonable judgment, may result in a Loss for which the Indemnified Party could assert a right of indemnification against any other party (or parties) hereto (the "Indemnifying Party") under this Article 6, give notice thereof (the "Claims Notice") to the Indemnifying Party (but the obligations of the Indemnifying Party under this Article 9 shall not be impaired by the Indemnified Party's failure to give such notice, except to the extent that said failure actually prejudices the rights of the Indemnifying Party). The Claims Notice shall describe the Indemnifiable Event in reasonable detail, shall indicate whether the

(H06000197603)

(H66000197603)

Indemnifiable Event involves a "Third Party Claim" (defined below), and shall indicate the amount (estimated, if necessary) of the Loss that has been or may be suffered by the Indemnified Party. In such event, the Indemnifying Party shall, within fifteen (15) business days after receipt of the Claims Notice, give notice to the Indemnified Party of whether he or it intends to dispute the claim described in the Claims Notice (the "Response Notice"). If the Indemnifying Party timely disputes the Claims Notice as provided above, the Indemnified Party shall, for a period of not more than fifteen (15) business days after receipt of the Response Notice (or less, if the nature of the Indemnifiable Event so requires), seek out a negotiated settlement of the dispute with the Indemnifying Party and shall refrain during that period from commencing any judicial proceeding or other action to enforce this Article 6. If, despite their good faith negotiations, the parties are unable to resolve the dispute within the aforesaid period (or if the Indemnifying Party fails to timely give the Response Notice), the Indemnified Party shall be free to exercise all rights and remedies available to him or it hereunder, at law in equity or otherwise to enforce his or its rights under this Article 6. As used herein, "Third Party Claim" means any demand, claim or circumstance which, with the lapse of time or otherwise, would give rise to a claim or the commencement (or threatened commencement) of any action, proceeding or investigation against the Indemnified Party by any other person.

SECTION 7.5 Opportunity to Defend Against Third Party Claims.

If the Claims Notice relates to a Third Party Claim, the Indemnifying Party may elect to compromise or defend, at its own expense and by its own counsel, such Third Party Claim. If the Indemnifying Party elects to compromise or defend such Third Party Claim, it shall within 30 business days (or sooner, if the nature of the Third Party Claim so requires) after his or its receipt of the Claims Notice, notify the Indemnified Party of its intent to do so, and the Indemnified Party shall cooperate, at the expense of the Indemnifying Party, in the compromise of, or defense against, such Third Party Claim. If the Indemnifying Party elects not to compromise or defend such Third Party claim, fails to notify the Indemnified Party of its election as herein provided or contests its obligation to indemnify under this Agreement, the Indemnified Party may pay, compromise or defend such Third Party Claim. Notwithstanding the foregoing, neither the Indemnifying Party nor the Indemnified Party may settle or compromise any claim over the objection of the other, provided, however, that consent to settlement or compromise shall not be unreasonably withheld. In any event, the Indemnified Party and the Indemnifying Party may participate, at their own expense, in the defense of such Third Party Claim. If the Indemnifying Party chooses to defend any claim, the Indemnified Party shall make available to the Indemnifying Party any books, records or other documents within its control that are necessary or appropriate for such defense. The Indemnifying Party shall be subrogated to all rights and remedies of the Indemnified Party to the extent of any indemnification provided by the Indemnifying Party to the Indemnified Party.

SECTION 7.6 Limitation on Indemnification Notwithstanding

anything to the contrary in this Agreement, no Indemnified Party shall have any liability for indemnification under this Article 7 until the total of all Losses of the Indemnified Party exceeds \$10,000.

(H66000197603)

(H06000197603)

SECTION 7.7 Survival. Notwithstanding the investigations by the parties hereto of each other's affairs, and notwithstanding any knowledge of facts determined or determinable by such parties pursuant to such investigation, each of LCI and the Shareholders shall have the right to rely fully upon the representations, warranties, covenants and agreements of the other parties contained in this Agreement. The representations and warranties of the parties contained herein shall survive the consummation of the Transactions (i) for the duration of the applicable statute of limitations, (ii) to the extent relating to any other matter, for twelve (12) months following the consummation of the Transactions. A claim for indemnification hereunder must be asserted by a party seeking indemnification within the respective period of survival.

SECTION 7.8 Indemnification Exclusive Remedy. The parties hereto acknowledge and confirm that, except in the event of fraud, the indemnification procedures described in this Article 7 shall be the sole and exclusive remedies available to them for any breach or non-fulfillment of the representations, warranties, covenants, agreements and other provisions of this Agreement provided; however, the foregoing shall not limit the ability of any party to seek any remedy with respect to any breach of the VSI Officers' Certificate or LCI's Officer's Certificate.

ARTICLE 8

MISCELLANEOUS

SECTION 8.1 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or, if mailed, three (3) days after the date of deposit in the mails, as follows:

(i) if to the Shareholders, to:
Lisa Crawford
c/o Low Country Insulation, Inc.
1900 N.W. 1st Court
Boca Raton, FL 33432

(ii) if to LCI, to:
Roger Crawford, President
Low Country Insulation, Inc.
1900 N.W. 1st Court
Boca Raton, FL 33432

With a copy to:
David A. Carter, Esq.
Ackerman, Senterfitt

(H06000197603)

(H06000197603)

222 Lakview Avenue, Suite 400
West Palm Beach, Florida 33401

Any party may by notice given in accordance with this Section to the other parties designate another address or person for receipt of notices hereunder.

SECTION 8.2 Termination. If the filing of the Certificate of Merger does not occur on or prior to August 31, 2006, this Agreement shall terminate (unless extended in writing by all of the parties) without liability or obligation to one another.

SECTION 8.3 Entire Agreement. This Agreement (including the schedules and exhibits) and the agreements referred to herein and/or executed in connection with the consummation of the Transactions contemplated herein contain the entire agreement among the parties with respect to the exchange of VSI Shares for the Exchange Shares and the related transactions.

SECTION 8.4 Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the parties waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof. Nor shall any waiver on the part of any party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity. The rights and remedies of any party based upon, arising out of or otherwise in respect of any inaccuracy in or breach of any representation, warranty, covenant or agreement contained in this Agreement shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject of any other representation, warranty, covenant or agreement contained in this Agreement (or in any other agreement between the parties) as to which there is no inaccuracy or breach.

SECTION 8.5 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida, applicable to agreements made and to be performed entirely within such State (without giving effect to conflicts of law principles thereof).

SECTION 8.6 Binding Effect; No Assignment; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and legal representatives. Nothing contained herein is intended or shall be construed as creating third party beneficiaries to this Agreement. This Agreement is not assignable except by operation of law.

(H06000197603)

(H06000197603)

SECTION 8.7 Variations in Pronouns. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

SECTION 8.8 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the parties hereto. Facsimile signatures shall be deemed originals for all purposes.

SECTION 8.9 Exhibits and Schedules. The Exhibits and Schedules are a part of this Agreement as if fully set forth herein. All references herein to Sections, subsections, clauses, Exhibits and Schedules shall be deemed references to such parts of this Agreement, unless the context shall otherwise require.

SECTION 8.10 Headings. The headings in this Agreement are for reference only, and shall not affect the interpretation of this Agreement.

[SIGNATURE PAGE FOLLOWS]


(H06000197603)

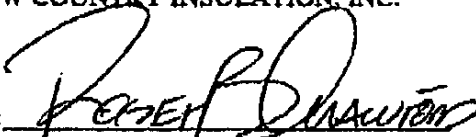
(H06000197603)

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first above written.

VAIL SALES, INC.

LOW COUNTRY INSULATION, INC.

By: 
Name: Lisa Crawford
Title: President

By: 
Name: Roger Crawford
Title: President

VAIL SALES, INC. SHAREHOLDERS:


Lisa Crawford
Its: Sole Shareholder

(H06000197603)

(H06000197603)

COMPOSITE EXHIBIT

1.1

WRITTEN CONSENTS IN LIEU OF
SPECIAL MEETING OF THE SOLE STOCKHOLDER
AND SOLE DIRECTOR OF

LOW COUNTRY INSULATION, INC.

and

VAIL SALES, INC.

(H06000197603)

(H06000197603)

VAIL SALES, INC.

Written Consent in Lieu of Special Meeting
of the Sole Stockholder and Sole Director

The undersigned, being the Sole Stockholder and Sole Director of Vail Sales, Inc. ("VSI"), a Florida corporation does hereby consent, pursuant to Section 607.1202 and related sections of the Business Corporation Act of the State of Florida and Section 368(a)(1)(C) of the Internal Revenue Code, to the adoption of the following resolutions with the same force and effect as if duly adopted at a special meeting of the sole stockholder and the sole director of VSI for the following purpose:

RESOLVED, that it is determined to be in VSI's best interests and in furtherance of, and consistent with, VSI's business strategy that it merge with Low Country Insulation, Inc., a Florida corporation ("LCI");

RESOLVED, that in order to accomplish such merger, VSI shall enter into an Agreement and Plan of Merger in substantially the form of Exhibit "A" (the "Merger Agreement") by and among VSI and LCI, pursuant to which LCI will issue to VSI the number of shares of capital stock of LCI, set forth below in accordance with the Purchase Accounting set forth in the attached Exhibit and incorporated herein, in a manner such that VSI will merge with, and into, LCI.

| <u>VSI</u> <u>FMV</u> ¹ | <u>VSI</u> <u>FMV</u> <u>Per Share</u> | <u>Issued and Outstanding</u> <u>Shares of VSI</u> <u>Common Stock Held</u> | <u>Shares of LCI</u> <u>Common Stock</u> <u>Post-Merger</u> | <u>LCI</u> <u>FMV</u> <u>Per Share</u> |
|---------------------------------------|--|---|---|--|
| \$85,082 | \$ 42.50 | 2,000 | 653 | \$130.20 |

¹ Fair Market Value ("FMV")

(H06000197603)


(H06000197603)

RESOLVED, that the President shall be, and hereby is, authorized to execute and deliver, in the name of and on behalf of VSI, the Merger Agreement with such terms and conditions as she, in her sole discretion, deems necessary or appropriate and in the best interests of VSI, the execution and delivery thereof to be conclusive evidence of her approval thereof and authority hereunder.

RESOLVED, that the proper officers of this Company be, and each of them acting singly hereby is, authorized to execute and deliver on behalf of VSI any and all other instruments, certificates, agreements or documents, including without limitation any agreements or documents referenced in the Merger Agreement, and to take any and all actions which, in her discretion, are necessary or advisable to consummate the transactions contemplated by the resolutions set forth above, the execution and delivery of such instruments and documents or the taking of any such actions by her to be conclusive evidence of her authority hereunder.

Executed, effective as of the date set forth below.

Dated: December ____, 2005.


Lisa Crawford, Sole Director
and Shareholder of Vail Sales, Inc.

lowcountry.coment.001

(WP276554;1)

(H06000197603)

(H06000197603)

LOW COUNTRY INSULATION, INC.

Written Consent in Lieu of Special Meeting
of the Sole Stockholder and Sole Director

The undersigned, being the Sole Stockholder and Sole Director of Low Country Insulation, Inc. ("LCI"), a Florida corporation does hereby consent, pursuant to Sections 607.1202 and related sections of the Business Corporation Act of the State of Florida and Section 368(a)(1)(C) of the Internal Revenue Code, to the adoption of the following resolutions with the same force and effect as if duly adopted at a special meeting of the sole stockholder and the sole director of LCI for the following purpose:

RESOLVED, that it is determined to be in LCI's best interests and in furtherance of, and consistent with, LCI's business strategy that it merge with Low Country Insulation, Inc., a Florida corporation ("VSI");

RESOLVED, that in order to accomplish such merger, LCI shall enter into an Agreement and Plan of Merger in substantially the form of Exhibit "A" (the "Merger Agreement") by and among LCI and VSI, pursuant to which LCI will issue to VSI the number of shares of capital stock of LCI, set forth below in accordance with the Purchase Accounting set forth in the attached Exhibit and incorporated herein, in a manner such that VSI will merge with, and into, LCI.

| <u>VSI</u> | <u>VSI</u> | <u>Issued and Outstanding</u> | <u>Shares of LCI</u> | <u>LCI</u> |
|------------------------|------------------|-------------------------------|----------------------|------------------|
| <u>FMV¹</u> | <u>FMV</u> | <u>Shares of VSI</u> | <u>Common Stock</u> | <u>FMV</u> |
| | <u>Per Share</u> | <u>Common Stock Held</u> | <u>Post-Merger</u> | <u>Per Share</u> |
| \$85,082 | \$ 42.50 | 2,000 | 653 | \$130.20 |

¹ Fair Market Value ("FMV")

(H06000197603)


(#06000197603)

RESOLVED, that the President shall be, and hereby is, authorized to execute and deliver, in the name of and on behalf of LCI, the Merger Agreement with such terms and conditions as she, in her sole discretion, deems necessary or appropriate and in the best interests of LCI, the execution and delivery thereof to be conclusive evidence of her approval thereof and authority hereunder.

RESOLVED, that the proper officers of LCI be, and each of them acting singly hereby is, authorized to execute and deliver on behalf of LCI any and all other instruments, certificates, agreements or documents, including without limitation any agreements or documents referenced in the Merger Agreement, and to take any and all actions which, in her discretion, are necessary or advisable to consummate the transactions contemplated by the resolutions set forth above, the execution and delivery of such instruments and documents or the taking of any such actions by her to be conclusive evidence of her authority hereunder.

Executed, effective as of the date set forth below.

Dated: December____, 2005.


Roger Crawford, Sole Director
and Shareholder of
Low Country Insulation, Inc.

lowcountry\consent.002

(#06000197603)

(H06000197603)

Purchase Accounting - Vail Sales, Inc. (VSI)

| | ACB | 12/31/05 FINAL |
|-----------------------------|------|----------------|
| Bank - Operating | 1030 | 1,067.78 |
| Accts Rec. - Material Sales | 1060 | 531.75 |
| Automotive | 1370 | 19,728.70 |
| Fabrication Equipment | 1380 | 8,438.07 |
| Leasehold improvements | 1340 | 49,745.81 |
| Computer Software | 1600 | 8,202.82 |
| Settlement Receivable | 1520 | 55,000.00 |
| Accounts Payable | 2010 | (291.15) |
| Note Payable - Stockholder | 2271 | (48,166.70) |
| Note Payable - Vendor | 2272 | (18,148.67) |
| Net Assets | | 65,081.91 |

Low Country Inc. (LCI) Jan 1, 2005 Stock Value 130.20 Per share

VSI Value 65,081.91
 LCI cost per share 130.20
 LCI shares of stock 503.47

RC Shares 5,000 89.44%
 LC Shares 553 11.55%
 Total Outstanding Shares 5,553

Common Stock 65.35
 APIC 85,018.58
 85,081.91

Vail Sales Formation Date 6/8/1997

LCI Authorized Shares 60,000

LCI Outstanding Shares (pre-merger) 5,000

LCI Par Value \$ 0.10

(H06000197603)