P01000105318

GRIFFIN PUBLISHING GROUP, INC.
300 SUNPORT LANE
ORLANDO, FL 32809

City/State/Zip Phone #

400004926044--1
-02/14/02--01058--001
*****70.00 *****70.00

Office Use Only

CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):

FILED
02 FEB 27 PM 3:21
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

1. _____ _____
(Corporation Name) (Document #)

2. _____ _____
(Corporation Name) (Document #)

3. _____ _____
(Corporation Name) (Document #)

4. _____ _____
(Corporation Name) (Document #)

☐ Walk in ☐ Pick up time _____ ☐ Certified Copy

☐ Mail out ☐ Will wait ☐ Photocopy ☐ Certificate of Status

NEW FILINGS

☐ Profit
☐ Not for Profit
☐ Limited Liability
☐ Domestication
☐ Other

AMENDMENTS

☐ Amendment
☐ Resignation of R.A., Officer/Director
☐ Change of Registered Agent
☐ Dissolution/Withdrawal
☑ Merger

OTHER FILINGS

☐ Annual Report
☐ Fictitious Name

REGISTRATION/QUALIFICATION

☐ Foreign
☐ Limited Partnership
☐ Reinstatement
☐ Trademark
☐ Other

2/27/02
Examiner's Initials T. Lewis

CR2E031(7/97)

FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

February 19, 2002

GRIFFIN PUBLISHING GROUP, INC.
300 SUNPORT LANE
ORLANDO, FL 32809

SUBJECT: GRIFFIN PUBLISHING GROUP, INC.
Ref. Number: P01000105318

We have received your document for GRIFFIN PUBLISHING GROUP, INC. and check(s) totaling $70.00. However, the enclosed document has not been filed and is being returned to you for the following reason(s):

Please include the exhibit(s) referred to in your document.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6905.

Thelma Lewis
Corporate Specialist Supervisor

Letter Number: 502A00010160

RECEIVED
FEB 27 AM 8:46
DIVISION OF CORPORATIONS

ARTICLES OF MERGER
Merger Sheet

MERGING:

GRIFFIN PUBLISHING GROUP, INC., an Oregon corporation not authorized to transact business in Florida.

INTO

GRIFFIN PUBLISHING GROUP, INC., a Florida entity, P01000105318.

File date: February 27, 2002

Corporate Specialist: Thelma Lewis

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, F.S.

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

Name	Jurisdiction
Griffin Publishing Group, Inc. (Document No. P01000105318)	Florida

FILED
02 FEB 27 PM 3:21
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Second: The name and jurisdiction of each **merging** corporation:

Name	Jurisdiction
Griffin Publishing Group, Inc.	Oregon

Third: The Plan of Merger is attached.

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

Fifth: Adoption of Merger by surviving corporation
The Plan of Merger was adopted by the shareholders of the surviving corporation on January 1, 2002.

Sixth: Adoption of Merger by merging corporation
The Plan of Merger was adopted by the shareholders of the merging corporation on January, 1 2002.

Seventh: SIGNATURES FOR EACH CORPORATION

Griffin Publishing Group, Inc.
(A Florida Corporation)

By: _____
Nicolaas H. Van den Brekel
President

Griffin Publishing Group, Inc.
(An Oregon Corporation)

By: _____
Robert M. Howland
President

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") is made and entered into as of November 15, 2001, by and among Brekel Group, Inc., a Delaware corporation (the "Parent"), Griffin Publishing Group, Inc., a Florida corporation (the "MergerSub"), Griffin Publishing Group, Inc., an Oregon corporation (the "Company"), and Daniel Wilson ("Wilson") and Robert Howland ("Howland") (Wilson and Howland are hereafter referred to individually as a "Shareholder" and collectively as the "Shareholders"). The Parent, the MergerSub, the Company and the Shareholders are referred to collectively in this Agreement as the "Parties."

Background

The Board of Directors of the Parent, the MergerSub, and the Company, has each approved the terms and conditions of the business combination transaction provided for in this Agreement, pursuant to which the Company will merge with and into the MergerSub and will become a wholly-owned subsidiary of the Parent (the "Merger"). The Shareholders, who beneficially own and hold of record all of the outstanding capital stock of the Company, have approved this Agreement and the transactions contemplated by this Agreement. As a result of the Merger, each outstanding share of capital stock of the Company will be converted into the right to receive the consideration provided in this Agreement. For federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a)(1)(A) and (a)(2)(D) of the Internal Revenue Code (the "Code"). Accordingly, in consideration of the mutual covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Terms

1. Merger Transaction.

(a) The Merger. Upon the terms and subject to the conditions of this Agreement and the Plan of Merger in substantially the form attached as Exhibit 1(a) (the "Merger Agreement") and in accordance with the Oregon Business Corporation Act ("OBCA") and the Florida Business Corporation Act ("FBCA"), the Company shall be merged with and into the MergerSub. The Company and the MergerSub shall execute the Merger Agreement immediately prior to the closing of the transactions contemplated by this Agreement (the "Closing"). Unless the context otherwise requires, the term "Agreement" includes the Merger Agreement.

(b) Effective Time of the Merger. Subject to the provisions of this Agreement, articles of merger (the "Articles of Merger") will be duly prepared, executed, and acknowledged by the Company and the MergerSub, as required, and will be delivered to the Secretaries of State of Oregon and Florida for filing, in accordance with the OBCA and FBCA, as soon as practicable on or after the

Closing. The Merger will become effective at such time as is provided in the Articles of Merger (the "Effective Time"), which shall be mutually agreeable to the Parties and shall be as soon as practicable on or after the Closing.

(c) Closing. The Closing will take place as soon as practicable (but no more than three business days) after satisfaction or waiver of the last to be fulfilled of the conditions set forth in Section 9 below that by their terms are not to occur at the Closing, or such other date as the Parent and the Company may mutually determine (the "Closing Date") at the offices of the Parent, but in any event not later than January 2, 2002.

(d) Effects of the Merger. At and after the Effective Time (i) the separate existence of the Company will cease and the Company shall be merged with and into the MergerSub (the MergerSub and the Company are sometimes referred to in this Agreement as the "Constituent Corporations"); (ii) the MergerSub will continue as the surviving corporation of the Merger under the laws of Florida (the "Surviving Corporation"); (iii) the Merger will have all of the effects provided by the Articles of Merger and applicable law; (iv) the articles of incorporation of the MergerSub in effect immediately before the Effective Time shall be the articles of incorporation of the Surviving Corporation, with the exception that the name of the Surviving Corporation shall become "Griffin Publishing Group, Inc."; and (v) the bylaws of the MergerSub as in effect immediately before the Effective Time shall be the bylaws of the Surviving Corporation. At and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, immunities, and franchises, of a public as well as of a private nature, and be subject to all the restrictions, disabilities, and duties of each of the Constituent Corporations; and all the singular rights, privileges, immunities, and franchises of each of the Constituent Corporations, and all property, real, personal, and mixed, and all debts due to either of the Constituent Corporations on whatever account, including subscriptions to shares and all other choses in action, and all and every other interest of or belonging to or due to each of the constituent corporations, shall be taken and deemed to be transferred to and vested in the Surviving Corporation, and all property, rights, privileges, powers, and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the Constituent Corporations, and the title to any real estate vested by deed or otherwise in either of the Constituent Corporations shall not revert or be in any way impaired; but all rights of creditors and all liens upon any property of either of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities, and duties of the Constituent Corporations shall attach to, and be assumed by, the Surviving Corporation, and may be enforced against it to the same extent as if such debts and Liabilities had been incurred by it.

(e) Directors and Officers of the Surviving Corporation. The directors of the MergerSub at the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors shall have

been duly elected or appointed and qualified or until their earlier death, resignation, or removal in accordance with the Surviving Corporation's articles of incorporation and bylaws. The officers of the Surviving Corporation shall be those listed in Exhibit 1(e), and such officers shall, from and after the Effective Time, be the officers of the Surviving Corporation until their successors shall have been duly appointed and qualified or until their earlier death, resignation, or removal in accordance with the Surviving Corporation's articles of incorporation and bylaws.

(f) Conversion of Securities. At the Effective Time, by virtue of the Merger and without any further action on the part of the Constituent Corporations, or the holders of any shares of capital stock of the Company or the MergerSub:

(i) Capital Stock of the MergerSub. Each issued and outstanding share of the MergerSub Common Stock shall remain issued and outstanding.

(ii) Cancellation of Certain Company Shares. Each outstanding share of common stock, no par value, of the Company ("Company Share"), if any, that is owned by the Company as treasury stock shall be canceled and no consideration shall be delivered in exchange therefor.

(iii) Conversion of Company Shares. Each Company Share (other than shares canceled pursuant to Section 1(f)(ii) above) outstanding immediately prior to the Effective Time shall be converted into the right to receive (A) a promissory note in the principal amount of $0.20 in cash (the "Note") and (B) 0.06 shares of common stock, par value $0.0001 per share, of the Parent (the "Consideration Shares") (the Notes and the Consideration Shares are collectively referred to as the "Merger Consideration"). The Notes shall bear interest at the rate of three percent (3%) per annum and shall be due and payable on January 2, 2002.

(iv) Adjustment of Conversion Ratio. If between the date of this Agreement and the Effective Time, the outstanding shares of common stock of the Parent or the Company Shares shall have been changed into a different number of shares or a different class by reason of any reclassification, recapitalization, split-up, stock dividend, stock combination, exchange of shares, readjustment or otherwise, then the conversion ratio set forth in Section 1(f)(iii) above shall be correspondingly adjusted.

(g) Exchange of Certificates.

(i) Exchange Procedures. At the Closing, the Shareholders shall deliver or cause to be delivered certificates representing the issued and outstanding Company Shares (the "Certificates"), accompanied by stock

powers duly signed in blank, and with all revenue stamps necessary to transfer such shares and the Certificates affixed and cancelled, and all taxes on such transfer, if any, fully paid. In exchange therefor, the Parent will deliver the Merger Consideration to the Shareholders. Until surrendered as contemplated by this Section 1(g), each Certificate shall be deemed at all times after the Effective Time to represent only the right to receive the Merger Consideration specified in this Section 1.

(ii) No Further Ownership Rights. The Merger Consideration delivered in exchange for the Company Shares in accordance with the terms of this Agreement shall be deemed to have been delivered in full satisfaction of all rights pertaining to such Company Shares, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the Company Shares that were outstanding immediately prior to the Effective Time.

(iii) Lost, Stolen or Destroyed Certificates. In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder thereof and, if required by the Parent, the posting by such holder of a bond in customary amount as indemnity against any claim that may be made against the Parent with respect to such Certificate, the Parent will, in exchange for such lost, stolen or destroyed Certificate, deliver the Merger Consideration contemplated by this Section 1.

(iv) No Fractional Shares. No certificate or scrip representing fractional shares of common stock of the Parent shall be issued and no cash will be paid in lieu of fractional shares. Instead, any fractional amount payable based on the conversion ratio set forth in Section 1(f) will be rounded up to the next whole share of common stock of the Parent.

(v) Taxes. Any and all taxes resulting from or relating to the transactions contemplated by this Agreement shall be the sole responsibility and obligation of the Shareholders, to the extent such shareholders are obligated to pay such tax; provided, however, that the Parties acknowledge that the Company has incurred tax losses which have been applied to reduce the Shareholders' bases in indebtedness under Code Section 1367(b)(2)(A); provided further that, if the transactions contemplated hereunder cause either Shareholder to incur capital gains tax in an amount greater than $5,000 as a result of the prior reduction of such Shareholder's basis under Code Section 1367(b)(2)(A), then the Surviving Corporation shall pay to such Shareholder an amount equal to the capital gains tax for such Shareholder which exceeds $5,000 and which arises solely as a result of the prior reduction of such Shareholder's basis under Code Section 1367(b)(2)(A); and provided further that the obligations of the Surviving Corporation under this subsection shall not

apply to the capital gains tax which arises upon the Shareholders' receipt of payment under the Notes and shall not apply to any capital gains tax which arises at any time as a result of the Shareholders' receipt of the Consideration Shares.

2. **Representations and Warranties of the Shareholders.** Each of the Shareholders represents and warrants to the Parent and the MergerSub that the statements contained in this Section 2 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 2) with respect to himself.

(a) Authorization of Transaction. The Shareholder has full power and authority to execute and deliver this Agreement and each other agreement contemplated by this Agreement and to consummate the transactions contemplated hereby and thereby. This Agreement constitutes the valid and legally binding obligation of the Shareholder, enforceable in accordance with its terms and conditions, subject to the laws of general application relating to bankruptcy, insolvency, and the relief of debtors and to the rules of law governing specific performance, injunctive relief and other equitable remedies. The Shareholder need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency or other third party in order to consummate the transactions contemplated by this Agreement. The Shareholder has approved this Agreement, the Merger and the other transactions contemplated by this Agreement in accordance with the requirements of Oregon law, and the articles of incorporation and bylaws of the Company.

(b) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated by this Agreement, will (a) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, writ, charge, or other restriction of any government, governmental agency, or court to which the Shareholder is subject or (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any approval, consent or notice or give rise to any right of refusal (or similar right) under any agreement, contract, lease, license, instrument, indenture, mortgage, lien, order, judgment, ordinance, regulation, decree, permit, franchise, or other arrangement to which the Shareholder is a party or by which he is bound or to which any of his assets is subject.

(c) Brokers' Fees. The Shareholder has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Parent or the MergerSub could become liable or obligated.

(d) Company Shares. The Shareholder holds of record and owns beneficially the number of Company Shares set forth next to his name in Section 3(c) of the Disclosure Schedule, free and clear of any restrictions on transfer (other than any restrictions under the Securities Act of 1933 (the "Securities Act") and state securities laws), taxes, security interests, options, warrants, purchase rights, contracts, commitments, equities, claims, and other demands. The Shareholder is not a party to any option, warrant, purchase right, preemptive right, subscription right or similar rights of any kind that are convertible into or exchangeable for Company Shares, or other contract or commitment that would require the Shareholder to sell, transfer, or otherwise dispose of any capital stock of the Company (other than this Agreement). The Shareholder is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any capital stock of the Company.

(e) Investment. The Shareholder (a) understands that the Notes and the Consideration Shares have not been, and will not be, registered under the Securities Act, or under any state securities laws, and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (b) is acquiring the Notes and the Consideration Shares solely for his own account for investment purposes, and not with a view to the distribution thereof, (c) is a sophisticated investor with knowledge and experience in business and financial matter, (d) has received certain information concerning the Parent and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the Notes and the Consideration Shares, (e) is able to bear the economic risk and lack of liquidity inherent in holding the Notes and the Consideration Shares, and (f) is an "Accredited Investor" for the reasons set forth in the Shareholder Representation Certificate delivered by each Shareholder to the Parent in substantially the form attached as Exhibit 2(e) ("Shareholder Representation Certificate"). The Shareholder acknowledges that he has no right to demand or require that the Parent or the MergerSub register the Notes or the Consideration Shares under any circumstances. The Shareholder further acknowledges and understands that no federal or state agency has made any finding or determination as to the fairness of an investment in, or any recommendation or endorsement of, the Notes or the Consideration Shares. The Shareholder understands that the Notes and the Consideration Shares will constitute "restricted securities" within the meaning of Rule 144 under the Securities Act and may not be sold, pledged, or otherwise transferred in the absence of an effective registration statement pertaining thereto under the Securities Act and under any applicable state securities laws or an exemption from the registration requirements thereof. The Shareholder acknowledges that the Consideration Shares shall be evidenced by stock certificate(s) containing a restrictive legend indicating the shares have not been registered pursuant to the Securities Act or the securities laws of any state or other jurisdiction and may not be sold or transferred unless pursuant to the Securities Act and securities laws of any applicable state or other jurisdiction.

3. **Representations and Warranties Concerning the Company.** The Company and Howland, jointly and severally, represent and warrant to the Parent and the MergerSub that the statements contained in this Section 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 3), except as set forth in the disclosure schedule delivered by the Company and the Shareholders to the Parent and the MergerSub on the date of this Agreement (the "Disclosure Schedule"). Nothing in the Disclosure Schedule shall be deemed adequate to disclose an exception to a representation or warranty made in this Agreement, however, unless the Disclosure Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Section 3.

(a) Organization and Standing. The Company is a corporation organized and existing and in good standing under the laws of the State of Oregon. The Company is duly authorized to conduct business and is in good standing or has active status under the laws of each jurisdiction where such qualification is required. The minute books (containing the records of meetings of the Shareholders, the board of directors, and any committees of the board of directors), the stock certificate books, and the stock record books of the Company are correct and complete in all material respects.

(b) Power and Authority. The Company has the requisite authority to enter into this Agreement and to incur and perform its obligations under this Agreement. The Company has all necessary power to own, lease, hold and operate all of its properties and assets and to carry on its business as it is now being conducted. The execution, delivery and performance by the Company of this Agreement have been authorized by all necessary corporate action. Upon the execution and delivery of this Agreement, this Agreement shall constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject only to applicable bankruptcy, moratorium and similar laws.

(c) Capitalization. The entire authorized capital stock of the Company consists of two million (2,000,000) Company Shares, of which one million (1,000,000) Company Shares are issued and outstanding and one million (1,000,000) Company Shares are held in treasury. All of the issued and outstanding Company Shares have been duly authorized, are validly issued, fully paid, and nonassessable, and are held of record by the respective Company Shareholders as set forth in Section 3(c) of the Disclosure Schedule. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require the Company to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the

Company. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital stock of the Company.

(d) Title to Assets. The Company has good and marketable title to all of the properties and assets used by it (the "Assets"), free and clear from all liens, encumbrances, security interests or claims of any kind or nature.

(e) Assets Adequate for Business; Condition and Maintenance. The Assets represent all of the assets necessary for the operation of its business as it is currently being conducted. All of the tangible Assets have been maintained in good condition and repair, subject to normal wear and tear which does not adversely affect their use in the operation of the business, and are suitable for their intended uses.

(f) Financial Statements. The Company has delivered to the Parent and the MergerSub an audited balance sheet and statement of income for the fiscal year ended December 31, 2000 and an unaudited balance sheet and statement of income for the nine-month period ended September 30, 2000 (collectively, the "Financial Statements"). The Financial Statements (including the notes thereto) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby, present fairly the financial condition of the Company as of such dates and the results of operations of the Company for such periods, are correct and complete, and are consistent with the books and records of the Company (which books and records are correct and complete), provided, however, that the Financial Statements for the nine-month period ended September 30, 2000 have not been audited.

(g) Undisclosed Liabilities. The Company has no liability except for (a) liabilities set forth on the face of the Financial Statements (rather than in any notes thereto) and (b) liabilities which have arisen after the date of the most recent balance sheet included among the Financial Statements in the ordinary course of business (none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract, breach of warranty, tort, infringement, or violation of law).

(h) Real Property. Section 3(h) of the Disclosure Schedule lists and describes briefly all real property leased or subleased to the Company. The Company has never owned any real property. The Company has delivered to the Parent correct and complete copies of the leases and subleases listed in Section 3(e) of the Disclosure Schedule. With respect to each lease and sublease listed in Section 3(e) of the Disclosure Schedule:

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

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

(iii) no party to the lease or sublease is in breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification, or acceleration thereunder;

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

(v) there are no disputes, oral agreements, or forbearance programs in effect as to the lease or sublease;

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

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

(viii) all facilities leased or subleased thereunder have received all approvals of governmental authorities (including licenses and permits) required in connection with the operation of the lease or sublease and have been operated and maintained in accordance with applicable laws, rules and regulations;

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

(x) the owner of the facility leased or subleased has good and marketable title to the parcel of real property, free and clear of any security interest, easement, covenant, or other restriction, except for installments of special easements not yet delinquent and recorded easements, covenants, and other restrictions which do not impair the current use, occupancy, or value, or the marketability of title, of the property subject to the lease or sublease.

(i) Approvals and Consents. The execution, delivery and performance of this Agreement (and the transactions contemplated by this Agreement) does not and will not: (i) contravene any provision of the Articles of Incorporation or Bylaws of the Company; (ii) result in a breach of, constitute a default under, result in the modification or cancellation of, or give rise to any right of termination, modification or acceleration in respect of any indenture, loan

agreement, mortgage, lease or any other contract or agreement to which the Company or any of the Assets are bound; (iii) result in the creation of any security interest, pledge, lien, charge, claim, option, right to acquire, encumbrance, restriction on transfer, or adverse claim of any nature whatsoever upon any of the Assets; (iv) violate any writ, order, injunction or decree of any court or any federal, state, municipal or other domestic or foreign governmental department, commission, board, bureau, agency or instrumentality, which violation or default in any such case would have a material adverse effect on the Company's business; or (v) require any authorization, consent or approval of, or filing with or notice to, any governmental or judicial body or agency, or any other entity or person.

(j) Compliance with Laws. As of the date of this Agreement (i) there is no violation of any applicable laws, regulations or orders relating to the conduct of the Company's business, and (ii) there is no use of the Assets by the Company in its business which violates any applicable laws, codes, ordinances and regulations, whether federal, state or local.

(k) Litigation. Section 3(h) of the Disclosure Schedule sets forth each instance in which the Company (a) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (b) is a party or is threatened to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator.

(l) Taxes. All federal and applicable state, foreign, and local tax (including without limitation, income, profits, franchise, use, excise, withholding, property, and sales taxes and customs duties) returns (respectively "Taxes" and "Returns") of the Company required to be filed with respect thereto and due on or before the Closing Date have been or will before the Closing Date be timely and accurately filed for all periods to and including the Closing Date. All such Returns are or will be complete and accurate in all respects. The Company has paid all Taxes as shown on the Returns and all assessments received by the Company and is not delinquent in the payment of any Tax.

(m) Employees. Except for Wilson, no executive, key employee, or group of employees has any plans to terminate employment with the Company. No part of the Company's workforce is unionized, and no organizational effort presently is being made or threatened by or on behalf of any labor union with respect to any employees of the Company. The Company is not a party to or bound by any collective bargaining agreement, and has not experienced any strikes, grievances, claims of unfair labor practices, or other collective bargaining disputes. The Company has not committed any unfair labor practice.

(n) Employee Benefits. Section 3(n) of the Disclosure Schedule lists all "employee benefit plans" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), and all other bonus,

pension profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, stock bonus, phantom stock, retirement, vacation, severance, disability, death benefit, welfare, holiday bonus, hospitalization, medical or other plan or arrangement, providing benefits to any current or former employee, officer or director of the Company, or maintained or contributed to by the Company or by any member of their controlled group(s) as defined in Code Sections 414(b), (c), (m), or (o) for the benefit of any employee, officer or director of the Company (collectively, "Benefit Plans").

(i) Each Benefit Plan which is intended by the Company to be tax qualified under Section 401(a) of the Code has received a determination letter to that effect from the Internal Revenue Service and a copy of the most recent determination letter for each such Benefit Plan has been delivered to the Purchaser.

(ii) On or prior to the date of this Agreement, the Company has delivered to the Parent true and complete copies (i) each Benefit Plan or, in the case of any unwritten Benefit Plans, descriptions thereof, (ii) the most recent annual report filed with the appropriate governmental entity with respect to each Benefit Plan, if any such report was required, (iii) the most recent summary plan description for each Benefit Plan for which such summary plan description is required, (iv) each trust agreement, group annuity contract or insurance contract relating to any Benefit Plan, and (v) the most recent actuarial report, if any, relating to any Benefit Plan.

(iii) Neither the Company nor any officer of any of the Company or any of the Benefit Plans, or any trusts created thereunder, or any trustee or administrator thereof, has engaged in a "prohibited transaction" (as defined in Code Section 4975 or ERISA Section 406) or any other breach of fiduciary responsibility that would subject the Company or any officer of the Company to a material tax or penalty on prohibited transactions or to any liability under ERISA.

(iv) No such Benefit Plan that is an employee welfare benefit plan (as defined in ERISA Section 3(1)) provides benefits to current or future retirees or current or future former employees and their dependents except as required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or applicable statue continuation coverage law.

(v) Each Benefit Plan and all related trust or other agreements conform in form and operation to, and comply with, all applicable laws and regulations, including, without limitation, ERISA and the Code, and all reports or information relating to each such Benefit Plan required to be filed with any governmental entity or disclosed to participants has been timely filed and disclosed.

(vi) The Company has not announced a plan to create, nor does it have any legally binding commitment to create, any new arrangement which would, when established, constitute an employee benefit plan, as defined in Section 3(3) of ERISA.

(vii) All insurance premiums or contributions required, with respect to any Benefit Plan, have been paid in full and there exist no funding deficiencies within the meaning of Code Section 412 with respect to any Benefit Plan. There are no known material retrospective adjustments provided for under any insurance contracts maintained pursuant to any Benefit Plan with regard to policy years or other periods ending on or before Closing Date.

(viii) No Benefit Plan, or the deduction of any contributions thereto by the Company, is the subject of a current or pending audit by any governmental entity, and no litigation or asserted claims exist against the Company or any Benefit Plan or fiduciary with respect thereto, other than such benefit claims as are made in the normal operation of a Benefit Plan. There are no known facts which are reasonably expected to give rise to any action, suit, grievance, arbitration or other claim in connection with any Benefit Plan.

(o) Intellectual Property. The Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property necessary for the operation of the Company's business. Each item of Intellectual Property owned or used by the Company immediately prior to the Closing hereunder and included among the Assets will be owned or available for use by the MergerSub on identical terms and conditions immediately subsequent to the Closing hereunder. The Company has taken all necessary action to maintain and protect each item of Intellectual Property that it owns or uses. The Company has not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and the Company has never received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). No third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Company. For the purposes of this paragraph, "Intellectual Property" means the following items to the extent included among the Assets: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations- in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications,

registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation), (g) all other proprietary rights, and (h) all copies and tangible embodiments thereof (in whatever form or medium).

(p) Contracts. Except as listed and briefly described in Section 3(o) of the Disclosure Schedule (the "Listed Agreements"), the Company is not a party to, nor is bound by any: (a) written or oral contract, arrangement, commitment or understanding which involves aggregate payments in excess of Ten Thousand Dollars ($10,000) that cannot be canceled on thirty (30) days or less notice without penalty or premium or any continuing obligation or liability; (b) contractual obligation or contractual liability of any kind to the Shareholders; (c) contract, arrangement, commitment or understanding with its customers, or the Shareholders or any officer, employee, shareholder, director, representative or agent thereof for the repurchase of products (other than warranty liability), sharing of fees, the rebating of charges to such customers, bribes, kickbacks from such customers or other similar arrangements; (d) contract for the purchase or sale of any materials, products or supplies which contain, or which commits or will commit it for a fixed term; (e) contract of employment with any officer, employee, consultant or independent contractor not terminable at will without penalty or premium or any continuing obligation or liability; (f) deferred compensation bonus or incentive plan or agreement not cancelable at will without penalty or premium or any continuing obligation or liability; (g) union or other collective bargaining agreement; (h) agreement, commitment or understanding relating to indebtedness for borrowed money other than trade payables incurred in the ordinary course of business and reflected on the books and records of the Company; (i) contract which, by its terms, requires the consent of any party thereto to the consummation of the transactions contemplated hereby; (j) contract containing covenants limiting the freedom of the Company to engage or compete in any line of business or with any person in any geographical area; (k) contract or option relating to the acquisition or sale of any business; (l) voting trust agreement or similar stockholder's agreement; (m) option for the purchase of any asset, tangible or intangible, valued in excess of Ten Thousand Dollars ($10,000) individually or in the aggregate; or (n) other contract, agreement, commitment or understanding which materially and adversely affects any of its properties, assets or business, whether directly or indirectly, or which was entered into other than in the ordinary course of business. The Company has, in all material respects, performed all obligations required to be performed by it to date under all of the Listed Agreements, is not in default in any material

respect under any of the Listed Agreements, and has received no notice of any default or alleged default thereunder which has not heretofore been cured or which notice has not heretofore been withdrawn.

(q) Inventory. The inventory of the Company included among the Assets consists of manufactured and purchased books and products, all of which is fit for the purpose for which it was procured or manufactured, and none of which is damaged or defective.

(r) Notes and Accounts Receivable. All notes and accounts receivable of the Company are reflected on its books and records, are valid receivables subject to no setoffs or counterclaims, are current and collectible, and will be collected in accordance with their terms at their recorded amounts, subject only to the reserve for bad debts set forth on the face of the most recent balance sheet (rather than in any notes thereto) included among the Financial Statements, as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Company.

(s) Permits and Licenses. Section 3(r) of the Disclosure Schedule sets forth all permits, licenses, orders, franchises and approvals from all federal, state, local and foreign governmental regulatory bodies held by the Company. The Company has all permits, licenses, orders, franchises and approvals of all federal, state, local and foreign governmental or regulatory bodies, whose failure to be held would materially and adversely affect the Company's ability to carry on its business as presently conducted and such permits, licenses, orders, franchises and approvals are in full force and effect, and no suspension or cancellation of any of such other permits, licenses, etc. is pending, or to the knowledge of the Company, threatened; and the Company is in compliance in all material respects with all requirements, standards and procedures of the federal, state, local and foreign governmental bodies which have issued such permits, licenses, orders, franchises and approvals.

(t) Insurance. Section 3(r) of the Disclosure Schedule sets forth a list and brief description of all policies of fire, liability and other forms of insurance held by the Company as of the date hereof. Such policies (a) are presently in effect, and premiums have been paid currently, and (b) are carried on an "occurrence basis. " Neither the Company nor the Shareholders know of any state of facts, or of the occurrence of any event which might reasonably (i) form the basis for a valid claim for any material damages against the Company not fully covered by insurance for liability on account of any express or implied warranty or tortious omission or commission, or (ii) result in a material increase in insurance premiums of the Company on a retroactive or prospective basis. Neither the Company nor the Shareholders know of any state of facts concerning any claim which an employee may have against the Company that is not fully covered by insurance (including any medically related illness).

(u) Subsidiaries. The Company has never had any subsidiaries.

(v) Guaranties. The Company is not a guarantor or otherwise liable for any liability or obligation (including indebtedness) of any other person or entity.

(w) Absence of Certain Changes. Subsequent to the date of the most recent balance sheet included among the Financial Statements, there has neither been nor will there be any change in the Assets, liabilities, financial condition, or operations of the Company, other than changes in the ordinary course of business, none of which individually or in the aggregate have had or will have a material adverse effect on such Assets, liabilities, financial condition, or operations. Without limiting any of the foregoing, from such date until the Closing, the Company has not and will not have:

(i) other than in the ordinary course of business, incurred or become subject to, or agreed to incur or become subject to, any obligation or liability, absolute or contingent, affecting the Company's business or the Assets;

(ii) mortgaged, pledged, or subjected to lien, charge, security interest, or other encumbrance, or agreed to do so, any of the Assets;

(iii) sold or transferred, or agreed to sell or transfer, any of the Assets, or cancelled or agreed to cancel, any debts due it or claims therefor, except, in each case, for full consideration and in the ordinary course of business;

(iv) engaged in any transactions adversely affecting the Company's business or the Assets or suffered any extraordinary losses or waived any rights of substantial value not in the ordinary course of business; or

(v) incurred or suffered any damage, destruction, or loss, whether or not covered by insurance, materially affecting the Company's business or the Assets.

(x) No Brokers. The Company has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Parent or the MergerSub could become liable or obligated.

(y) No Misrepresentations. None of the representations and warranties of the Company or the Shareholders set forth in this Agreement or in the attached exhibits and schedules, notwithstanding any investigation thereof by the Parent or the MergerSub, contains or will contain any untrue statement of a material fact, or omits or will omit the statement of any material fact necessary to render the same not misleading, either at the date hereof or at the Closing Date.

DJD

4. **Representations and Warranties of the Parent and the MergerSub.** The Parent and the MergerSub, jointly and severally, represent and warrant to the Company and the Shareholders that the statements contained in this Section 4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 4)

(a) Organization and Standing. The Parent is a corporation organized and existing and in good standing under the laws of the State of Delaware. The MergerSub is a corporation organized and existing under the laws of the State of Florida and its status is active.

(b) Power and Authority. Each of the Parent and the MergerSub has the requisite corporate authority to enter into this Agreement and to incur and perform its obligations under this Agreement. The execution, delivery, and performance by each of the Parent and the MergerSub of this Agreement has been authorized by all necessary corporate action of each of them, respectively. Upon the execution and delivery of this Agreement, this Agreement shall constitute a valid and binding agreement of each of the Parent and the MergerSub, enforceable against each of them in accordance with its terms, subject only to applicable bankruptcy, moratorium, and similar laws.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated by this Agreement, will (a) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, writ, charge, or other restriction of any government, governmental agency, or court to which either the Parent or the MergerSub is subject or any provision of either of their articles of incorporation or bylaws or (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any approval, consent or notice or give rise to any right of refusal (or similar right) under any agreement, contract, lease, license, instrument, indenture, mortgage, lien, order, judgment, ordinance, regulation, decree, permit, franchise, or other arrangement to which each the Parent or the MergerSub is a party or by which it is bound or to which any of its assets is subject..

(d) Consideration Shares. The Consideration Shares to be issued pursuant to this Agreement will, when issued and delivered, be duly authorized, validly issued, fully paid, and nonassessable and not subject to statutory preemptive rights.

(e) Brokers' Fees. Neither the Parent nor the MergerSub has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(f) Stock Register. Not less than ten (10) days prior to the Closing Date, the Parent will deliver to the Shareholders a copy of the Parent's stock register.

5. **Survival of Representations and Warranties.** All representations, warranties, and covenants made herein by the Company, the Shareholders, the Parent and the MergerSub in connection with the transactions contemplated by or set forth in this Agreement or contained in any certificate, schedule, exhibit, or other document delivered pursuant to this Agreement shall survive the Closing.

6. **Pre-Closing Covenants.** The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

(a) General. Each of the Parties will use its reasonable best efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Section 8 below).

(b) Notices and Consents. The Company and the Shareholders will use their best efforts to obtain any third party consents that the Parent or the MergerSub may request in connection with the transactions contemplated by this Agreement.

(c) Operation of Business. The Company will not engage in any practice, take any action, or enter into any transaction outside the ordinary course of business.

(d) Full Access. The Company and the Shareholders will permit representatives of the Parent and the MergerSub to have full access to all premises, properties, personnel, books, records, and documents of or pertaining to the Company and shall furnish the Parent and the MergerSub with copies of such documents and instruments and with such information with respect to the affairs of the Company as the Parent or the MergerSub may from time-to-time request.

(e) Exhibits. Each of the Parties will use its reasonable best efforts to prepare mutually acceptable versions of the Exhibits referenced herein prior to Closing.

7. **Post-Closing Covenants.**

(a) Non-competition. During the period commencing on the date of this Agreement and ending on the first anniversary thereof, Wilson will not, individually or in conjunction with others, directly or indirectly, enter into or engage in any full-service publishing business which competes directly or indirectly with the business of the Parent or the Surviving Corporation as

conducted at this time in any geographic area where the Parent or the Surviving Corporation conducts business, on such person's own behalf or in the service or on behalf of others as principal, partner, officer, director, manager, employee or shareholder (other than as holder of less than 5% of the outstanding capital stock of a publicly traded corporation). If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section is invalid or unenforceable, the parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

(b) Repayment of Certain Indebtedness. As promptly as reasonably practicable following the Closing Date, but not later than thirty (30) business days after the Closing Date, the Parent shall cause the Surviving Corporation to discharge its $82,125 indebtedness to Pacific Century Trust on behalf of Wilson.

(c) Operation of Surviving Corporation's Business. The Parent intends to operate the Surviving Corporation as a separate subsidiary of the Parent.

(d) Option Plan Participation. The Parent intends that it will give employees of the Surviving Corporation an opportunity to participate in its qualified stock option plan. The Section shall not require that Parent take any particular action with respect to such plan.

(e) Guarantee of Post-Closing Obligations of Merger Sub. Parent hereby guarantees the performance of the post-Closing obligations of the MergerSub set forth in this Agreement.

8. **Conditions Precedent.**

(a) Conditions to Obligation of the Parent and MergerSub. The obligations of the Parent and the MergerSub to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in Sections 2 and 3 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Company and the Shareholders shall have performed and complied with all of their covenants hereunder in all material respects through the Closing;

(iii) the Parent and the MergerSub shall be satisfied, in their sole discretion, with the results of their due diligence investigation of the Company;

(iv) the Company shall have procured all of the third party consents specified in Sections 2(b) and 3(i) above;

(v) Howland and the MergerSub shall have entered into an employment agreement in substantially the form attached hereto as Exhibit 3; and

(vi) all actions to be taken by the Company and the Shareholders in connection with consummation of the transactions contemplated by this Agreement and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated by this Agreement will be reasonably satisfactory in form and substance to the Parent and the MergerSub.

(b) Conditions to Obligation of the Company and the Shareholders. The obligations of the Company and the Shareholders to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in Section 4 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Parent and the MergerSub shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) the Shareholders shall be satisfied, in their sole discretion, with the results of their due diligence investigation of the Parent;

(iv) Howland and the MergerSub shall have entered into an employment agreement in substantially the form attached hereto as Exhibit 3;

(v) the Shareholders and the Parent shall have entered into a shareholders agreement in substantially the form attached hereto as Exhibit 4 and which shall include a put option permitting the Shareholders to put their Consideration Shares to the Parent beginning four years after the Closing Date based on a valuation of the Parent at seven times the Parent's net income as calculated under generally accepted accounting principles; and

(vi) all actions to be taken by the Parent and the MergerSub in connection with consummation of the transactions contemplated by this Agreement and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated by this Agreement will be reasonably satisfactory in form and substance to the Company and the Shareholders.

9. **Indemnification.**

(a) Howland shall indemnify and hold the Parent and the MergerSub harmless from, against, and in respect of the following:

(i) any and all losses, liabilities, claims, damages and expenses, including court costs and reasonable attorney's fees, arising out of any breach of any representation, warranty, covenant or agreement of the Company or a Shareholder in this Agreement;

(ii) any damage or deficiency resulting from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to the Parent or the MergerSub by the Company or a Shareholder pursuant to this Agreement; and

(iii) all actions, suits, proceedings, claims, demands, assessments, judgments, legal fees, costs and expenses incident to any of the foregoing or arising out of any act or omission of the Company in the conduct of the Company's business prior to the Closing.

(b) Wilson shall indemnify and hold the Parent and the MergerSub harmless from, against, and in respect of the following:

(i) any and all losses, liabilities, claims, damages and expenses, including court costs and reasonable attorney's fees, arising out of any breach of any representation, warranty, covenant or agreement of Wilson in this Agreement;

(ii) any damage or deficiency resulting from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to the Parent or the MergerSub by Wilson pursuant to this Agreement; and

(iii) all actions, suits, proceedings, claims, demands, assessments, judgments, legal fees, costs and expenses incident to any of the foregoing.

(c) The Parent and the MergerSub, jointly and severally, shall indemnify and hold the Shareholders harmless from, against, and in respect of the following:

(i) any and all losses, liabilities, claims, damages and expenses, including court costs and reasonable attorney's fees, arising out of any breach of any representation, warranty, covenant or agreement of the Parent or the MergerSub in this Agreement;

(ii) any damage or deficiency resulting from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to a Shareholder by the Parent or the Merger Sub pursuant to this Agreement; and

(iii) all actions, suits, proceedings, claims, demands, assessments, judgments, legal fees, costs and expenses incident to any of the foregoing or arising out of any act or omission of the Surviving Corporation in the conduct of the Surviving Corporation's business after the Closing.

(d) Notwithstanding any other provision of this Agreement, the indemnification obligations of each Party under this Section 9 shall survive the Closing for a period of one (1) year from the Closing Date (the "Indemnification Period"). To the extent that a Party asserts in writing a claim for indemnification against another Party prior to the expiration of the Indemnification Period, which claim reasonably identifies the basis for the claim and the amount of any reasonably ascertainable damages, the Indemnification Period will be extended for such claim until such claim is resolved.

(e) The Parent agrees to give notice to the Shareholders of the assertion of any claim or demand or the institution of any action, suit, or proceeding in respect of which indemnification may be claimed hereunder, and the Shareholders shall have the right to undertake the defense or settlement of such action, suit or proceeding ("litigation") at the Shareholders' own expense, subject to the Parent's right to approve Shareholders' counsel for such litigation. If the Shareholders do not undertake the defense or settlement of the litigation, the Parent may control the defense or settlement of the litigation.

(f) The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory, equitable, or common law remedy any Party may have for breach of representation, warranty or covenant. Each of the Shareholders hereby agrees that he will not make any claim for indemnification against the Surviving Corporation by reason of the fact that he or it was a director, officer, employee, or agent of any such entity or was serving at the request of any such entity as a partner, trustee, director, officer, employee, or agent of another entity (whether such claim is for judgments, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses, or otherwise and whether such claim is pursuant to any statute, charter document, bylaw, agreement, or otherwise) with respect to any action, suit, proceeding, complaint, claim, or demand brought by the Parent or the MergerSub against such

Shareholder (whether such action, suit, proceeding, complaint, claim, or demand is pursuant to this Agreement, applicable law, or otherwise).

10. **Termination of Agreement.** Certain of the parties may terminate this Agreement as provided below:

(a) All parties may terminate this Agreement by unanimous written consent at any time prior to the Closing;

(b) The Parent or the MergerSub may terminate this Agreement by giving written notice to the Company and the Shareholders at any time prior to the Closing (A) if the Company or a Shareholder has breached any representation, warranty, or covenant contained in this Agreement, (B) if the Closing shall not have occurred on or before January 2, 2002 (or such later date permitted herein), by reason of the failure of any condition precedent under Section 8(a) hereof (unless the failure results primarily from the Parent or the MergerSub itself breaching any representation, warrant, or covenant contained in this Agreement), or (C) if the Parent or the MergerSub is not satisfied with the results of its continuing business, legal, and accounting due diligence regarding the Company and its business; and

(c) The Company may terminate this Agreement by giving written notice to the Parent at any time prior to the Closing (A) if the Parent or the MergerSub has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Company has notified the Parent of the breach, and the breach has continued without cure for a period of ten (10) days after the notice of breach, or (B) if the Closing shall not have occurred on or before January 2, 2002 (or such later date permitted herein), by reason of the failure of any condition precedent under Section 8(b) hereof (unless the failure results primarily from the Company or a Shareholder itself breaching any representation, warranty, or covenant continued in this Agreement).

If any party terminates this Agreement pursuant to this Section, all rights and obligations of the parties hereunder shall terminate without any liability of any party to any other party (except for any liability of any party then in breach).

11. **Disclosure and Non-Interference.** The parties agree not to make any independent press releases or to disclose the terms of this Agreement except to their attorneys and other necessary parties without the written consent of the other party.

12. **General Provisions.**

(a) Further Assurances. The parties agree that, from time to time hereafter and upon request, each of them will execute, acknowledge and deliver such other instruments as may be reasonably required to more effectively carry out the transactions contemplated by this Agreement.

(b) Benefit and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties, their respective successors and permitted assigns. No Party may assign either this Agreement or any of his or its rights, interests, or obligations under this Agreement without the prior written approval of the Parent and the Shareholders; provided, however, that the Parent or the MergerSub may (a) assign any or all of its rights and interests under this Agreement to one or more of its affiliates and (b) designate one or more of its affiliates to perform its obligations under this Agreement (in any or all of which cases the Parent and the MergerSub nonetheless shall remain responsible for the performance of all of their obligations under this Agreement).

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

(d) Notices. All notices, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given and received if delivered by overnight delivery service or hand delivered, addressed as follows:

If to the Company:

Griffin Publishing Group,
2908 Oregon Court, suite I-5
Torrance, CA 90503

If to a Shareholder:

Robert M. Howland
514 W. Bell Avenue
Santa Ana, CA 92707

And/or

Daniel R. Wilson
13415 55th Avenue NW
Gig Harbor, WA 98332

With a copy to:

Bullivant Houser Bailey

Attn: Jay Fountain
300 Pioneer Tower
888 SW Fifth Avenue
Portland, OR 97204-2089

If to the Parent or the MergerSub:

Brekel Group, Inc.
300 Sunport Lane
Orlando, FL 32809
Attention: Mr. Mark L. Mroczkowski

With a copy to:

Holland & Knight LLP
200 South Orange Avenue, Suite 2600
Orlando, FL 32801
Attention: Tom McAleavey, Esq.

(e) Expenses. Any expenses in connection with this Agreement or the transactions contemplated herein shall be paid for by the party incurring such expenses following the Closing. The Parent and the MergerSub shall not assume or be liable for any obligations of the Company or any Shareholder in connection with any such expenses.

(f) Headings. All paragraph headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

(g) Amendment, Modification and Waiver. This Agreement may be modified, amended and supplemented by mutual written agreement of the parties hereto, at any time prior to the Closing. Each party may waive any condition intended to be for its benefit. Each amendment, modification, supplement or waiver shall be in writing executed by both parties.

(h) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement which shall remain in full force and effect, nor shall the invalidity or unenforceability of a portion of any provision of this Agreement affect the validity or enforceability of the balance of such provision.

(i) Entire Agreement. This Agreement and the Schedules and Exhibits delivered herewith represent the entire Agreement of the parties and supersede all prior negotiations and discussions by and among the parties hereto with respect to the subject matter hereof. No provision or document of any kind shall be included in or form a part of this Agreement unless in writing and delivered to the other party by the party to be charged.

(j) Attorneys' Fees. If a party to this Agreement is the prevailing party in any litigation arising out of this Agreement, then such prevailing party shall be entitled to be reimbursed, upon demand, for its reasonable attorneys' fees and related out-of-pocket expenses from the non-prevailing party.

(k) Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts, all of which shall be deemed to be an original but which shall together constitute one and the same agreement. Facsimile signatures shall have the same effect as original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Parent:

Brekel Group, Inc.

By: _____
Name: NICK VANDEN BREKEL
Title: PRESIDENT

MergerSub:

Griffin Publishing Group, Inc., a Florida corporation

By: _____
Name: NICK VANDEN BREKEL
Title: PRESIDENT

Company:

Griffin Publishing Group, Inc., an Oregon corporation

By: _____
Name: Robert M. Howland
President

Shareholders:

_____
Daniel Wilson

_____
Robert Howland

ORL1 #684363 v4

Exhibit 1(A)

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") is made and entered into as of November 15, 2001, by and among Brekel Group, Inc., a Delaware corporation (the "Parent"), Griffin Publishing Group, Inc., a Florida corporation (the "MergerSub"), Griffin Publishing Group, Inc., an Oregon corporation (the "Company"), and Daniel Wilson ("Wilson") and Robert Howland ("Howland") (Wilson and Howland are hereafter referred to individually as a "Shareholder" and collectively as the "Shareholders"). The Parent, the MergerSub, the Company and the Shareholders are referred to collectively in this Agreement as the "Parties."

Background

The Board of Directors of the Parent, the MergerSub, and the Company, has each approved the terms and conditions of the business combination transaction provided for in this Agreement, pursuant to which the Company will merge with and into the MergerSub and will become a wholly-owned subsidiary of the Parent (the "Merger"). The Shareholders, who beneficially own and hold of record all of the outstanding capital stock of the Company, have approved this Agreement and the transactions contemplated by this Agreement. As a result of the Merger, each outstanding share of capital stock of the Company will be converted into the right to receive the consideration provided in this Agreement. For federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a)(1)(A) and (a)(2)(D) of the Internal Revenue Code (the "Code"). Accordingly, in consideration of the mutual covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Terms

1. Merger Transaction.

(a) The Merger. Upon the terms and subject to the conditions of this Agreement and the Plan of Merger in substantially the form attached as Exhibit 1(a) (the "Merger Agreement") and in accordance with the Oregon Business Corporation Act ("OBCA") and the Florida Business Corporation Act ("FBCA"), the Company shall be merged with and into the MergerSub. The Company and the MergerSub shall execute the Merger Agreement immediately prior to the closing of the transactions contemplated by this Agreement (the "Closing"). Unless the context otherwise requires, the term "Agreement" includes the Merger Agreement.

(b) Effective Time of the Merger. Subject to the provisions of this Agreement, articles of merger (the "Articles of Merger") will be duly prepared, executed, and acknowledged by the Company and the MergerSub, as required, and will be delivered to the Secretaries of State of Oregon and Florida for filing, in accordance with the OBCA and FBCA, as soon as practicable on or after the

Exhibit 1(e)

OFFICERS OF SURVIVING CORPORATION

Nicolaas H. Van den brekel
President

Mark Mroczkowski
Vice President and
Corporate Secretary

Exhibit 2(f)

NUMBER

INCORPORATED UNDER THE LAWS OF
THE STATE OF FLORIDA

SHARES 100

GRIFFIN PUBLISHING GROUP, INC.

AUTHORIZED CAPITAL STOCK
1000 Shares of Common Stock - Par Value $.001

This Certifies that BREKEL GROUP, INC. is the registered holder of ----------ONE HUNDRED---------- Shares

of the Common Stock, fully paid and non-assessable

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this ____ day of November A.D. 2001

Mark L. Mrodzkowski, SECRETARY

Nicolaas H. Van den Brekel, PRESIDENT

Florida Corporation Supplies

Exhibit 3

EMPLOYMENT AGREEMENT
BETWEEN
GRIFFIN PUBLISHING GROUP, INC.
AND
ROBERT HOWLAND

AGREEMENT dated this 1st day of January, 2002, between GRIFFIN PUBLISHING GROUP, INC., a Florida corporation (hereinafter the "Company") having its principal place of business at 170 Sunport Lane, Suite 900, Orlando, Florida 32809, and ROBERT HOWLAND (hereinafter the "Employee").

WHEREAS, the Company desires to acquire the services of Employee because of his special knowledge and skills; and,

WHEREAS, Employee desires to be employed by the Company;

NOW, THEREFORE, in consideration of the foregoing, ten dollars paid in hand, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the following is agreed:

1. DUTIES.

The Company hereby employs Robert Howland as President, having powers and duties in that capacity as set forth from time to time by the Chairman and CEO of the Company. Employee shall devote his full time and best efforts to the Business of the Company.

2. COMPENSATION.

As compensation for his services to the Company, in whatever capacity rendered, the Company shall pay to Employee $70,000.00(US) per year, payable in semimonthly installments of $2,916.66. This salary shall be paid over the term of this Agreement, which is one year. The salary shall be paid together with a variable commission structure as amended from time to time by the Company. Commissions will be based upon a percentage of total sales generated as a result of the Employee's sales efforts.

In addition, Employee shall be entitled to the Standard Employee Benefits Package set forth in the Employee Manual effective as October 1, 2000. Such benefits include, but are not limited to participation in the company's employee stock ownership plan, fully paid family plan medical benefits and three weeks paid annual vacation.

3. NOTICE

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and by registered mail, and mailed to the parties at the following addresses:

COMPANY: 300 Sunport Lane
Orlando, Florida 32809

EMPLOYEE: 514 W. Bell Avenue
Santa Ana, CA 92707

4. TERMINATION

This Agreement may be terminated in any one of the following manners:

1. The death of Employee;

2. The failure of the Company, as evidenced by filing under the Bankruptcy Act for liquidation, or the making of an assignment for the benefit of creditors; or,

3. A material breach of the Assignment and Non-Disclosure Agreement executed between the Company and the Employee, or

4. Determination by the President or the Vice President of the Company that Employee's job performance is inadequate and has not sufficiently improved after warning as set forth in the Company's Employee Manual; or

5. At the end of the term of this Contract set forth herein above.

5. APPLICABLE LAW

This Agreement shall be governed by the laws of the State of New York. If any provision of this Agreement is declared void, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

6. BINDING EFFECT

This Agreement shall have binding effect upon the parties hereto, when approved by the Board, and upon their respective personal representatives, legal representatives, successors and assigns. Any waiver of any breach of this Agreement shall be made in writing and shall be applicable only to such breach and shall not be construed to waive any subsequent or prior breach other than the specific breach so waived.

7. SUPERSEDES EARLIER AGREEMENTS

This Agreement supersedes all earlier agreements between the Employee and the Company with respect to Employee's employment by the Company and monies owed to Employee by the Company.

8. ARBITRATION

Any dispute arising hereunder shall be resolved by arbitration before a panel of three arbitrators under the then prevailing rules of the American Arbitration Association. The decision of the arbitrators shall be binding upon the parties hereto and enforceable at law before any court of competent jurisdiction. The place of arbitration shall be New York County, New York, or such other place as the parties may mutually agree.

IN WITNESS WHEREOF, the parties have executed this Agreement the date first written above.

EMPLOYEE

Robert Howland

GRIFFIN PUBLISHING GROUP, INC.

By: _____
Mark L. Mroczkowski
Vice President and Secretary

Exhibit 4

SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (this "Agreement") is made and entered into as of November 15, 2001, by and among Brekel Group, Inc., a Delaware corporation (the "Corporation"), Daniel Wilson ("Wilson") and Robert Howland ("Howland") (Wilson and Howland are hereinafter referred to individually as a "Shareholder" and collectively as the "Shareholders"). The Corporation and the Shareholders are referred to collectively in this Agreement as the "Parties."

Background

The Shareholders, the Corporation and certain other parties entered into an Agreement and Plan of Merger dated as of November 15, 2001, pursuant to which each of the Shareholders became the owner of 30,000 shares of common stock of the Corporation (the "Shares"). The Shareholders desire to promote their interests and the interest of the Corporation by imposing certain restrictions and obligations on, and providing certain rights with respect to, themselves, the Corporation, and the Shares. Accordingly, in consideration of the premises and mutual covenants herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Terms

1. **Put Option.**

(a) Exercise of Put Option. Beginning on the date four (4) years after the date of this Agreement, and at all times thereafter, each Shareholder shall have the option (the "Put Option") to require the Corporation to repurchase all, but not less than all, of the Shares owned by such Shareholder (the "Selling Shareholder"), by delivering to the Corporation written notice of his election to exercise this Put Option (the "Put Notice").

(b) Valuation of Shares. The purchase price ("Purchase Price") for the Shares following the exercise of the Put Option shall be equal to the product of (i) the Enterprise Value (as defined below) multiplied by (ii) a fraction, the numerator of which will be the number of Shares being repurchased and the denominator of which will be the total number of issued and outstanding shares of common stock of the Corporation as of the date of the Corporation's receipt of the Put Notice. The "Enterprise Value" shall be equal to seven (7) times the amount which would, in accordance with generally accepted accounting principles, be classified as the net income of the Corporation, excluding any extraordinary items, on the income statement of the Corporation for the twelve (12) month period ended as of the end of the month immediately preceding the month of the Corporation's receipt of the Put Notice.

(c) Closing Date; Location. The closing of a transaction of repurchase and sale of Shares pursuant to this Agreement (a "Closing") shall take place in the offices the Corporation at any time within sixty (60) days from the date on which the Corporation receives the Put Notice or at such other time and place as shall be mutually agreed upon by the parties (a "Closing Date").

(d) Deliveries by Selling Shareholder. At the Closing, the Selling Shareholder shall execute and deliver to the Corporation such instruments as may be necessary to convey title to the Selling Shareholder's Shares to the Corporation and shall deliver to the Corporation his Share certificates, and shall do and perform all other acts and shall execute any other documents which may be reasonably necessary to consummate the purchase and sale and to transfer good title to the Corporation.

(e) Payment; Deliveries by the Corporation. The Purchase Price may be paid, at the sole option of the Corporation, in full on the Closing Date, or in three (3) equal consecutive annual installments of principal and accrued interest with the first such installment being due and payable on the Closing Date. The Corporation shall deliver to the Selling Shareholder a cashier's or certified check for the portion of the Purchase Price to be paid on the Closing Date. If, at the Closing, only a portion of the Purchase Price is paid, the Corporation shall execute to the Selling Shareholder a promissory note for the unpaid balance of the Purchase Price due from the Corporation, payable with interest at a rate of interest per annum from the Closing Date until paid in full which equals the "Prime Rate" as published in *The Wall Street Journal* on the day before the Closing Date (or on the last date such rate is published before the Closing Date). The Corporation shall be liable and responsible for any documentary stamp taxes due on any such promissory note. Any such note shall give the Corporation the option of prepayment, in whole or in part, at any time, without penalty.

2. Binding Effect; Assignment. This Agreement shall be binding upon the heirs, executors, administrators, successors, assigns, or other personal representatives of the Shareholders. This Agreement shall inure to the benefit of the heirs, executors, administrators, successors, assigns, or other personal representatives of the Shareholders and to the successors and assigns of the Corporation. The Shareholders may assign their rights under this Agreement to or for the benefit of any permitted transferee of their Shares.

3. Notices. All notices and other communications required by this Agreement will be in writing and will be deemed to have been duly given if delivered or mailed (registered or certified mail, postage prepaid, return receipt requested) as follows:

If to the Corporation: Brekel Group, Inc.
300 Sunport Lane
Orlando, FL 32809
Attn: Mr. Mark L. Mroczkowski

with a copy to:

Holland & Knight LLP
200 South Orange Avenue, Suite 2600
Orlando, Florida 32802
Attn: Tom McAleavey, Esq.

Notices to the Shareholders shall be sent to the current addresses which the Shareholders have furnished to the Corporation and which are on file at the Corporation's office.

4. **Modification**. This Agreement may be terminated, altered or amended only by written instrument signed by a duly authorized representative of the Corporation and all the Shareholders who then own Shares subject to this Agreement.

5. **Headings; General**. All paragraph headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context requires.

6. **Governing Law; Venue**. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida. Venue for all proceedings arising hereunder shall be in any state or federal court located in Orange County, Florida.

7. **Counterparts**. This Agreement may be executed simultaneously in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

8. **Entire Agreement**. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the transfer of the Shares and supersedes any and all prior agreements regarding the Shares, whether written or oral.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

CORPORATION:

BREKEL GROUP, INC.,
a Delaware corporation

By: _____
Name: NICK VANDENBREKEC
Title: PRESIDENT

SHAREHOLDERS:

_____
Daniel Wilson

_____
Robert Howland

ORL1 #686043 v2