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MERGER OR SHARE EXCHANGE

PEACH HOLDINGS, INC.

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11/21/06 CORPORATE DETAIL RECORD SCREEN 2:19 PM

NUM: P06000029255 ST:FL ACTIVE/FL PROFIT FLD: 02/27/2006
LAST: AMENDED AND RESTATED ARTICLES FLD: 03/03/2006
NAME : PEACH HOLDINGS, INC.
PRINCIPAL: 3301 QUANTUM BLVD 2 FLOOR CHANGED: 04/24/06
ADDRESS BOYNTON BEACH, FL 33426
RA NAME : TERLIZZI, JAMES D
RA ADDR : 3301 QUANTUM BLVD 2 FLOOR ADDR CHG: 04/24/06
BOYNTON BEACH, FL 33426
ANN REP : * NONE FILED *

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1. MENU, 4. EVENTS, 7. LIST, 8. NEXT, 9. PREV

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NUM: P06000111638 ST:FL ACTIVE/FL PROFIT FLD: 08/25/2006 EFF: 08/24/2006

NAME : ORCHARD MERGER SUBSIDIARY INC.

PRINCIPAL: 11 MADISON AVE.

ADDRESS C/O CREDIT SUISSE

NEW YORK, NY 10010

RA NAME : CORPORATION SERVICE COMPANY

RA ADDR : 1201 HAYS ST.

TALLAHASSEE, FL 32301 US

ANN REP : * NONE FILED *

1. MENU, 7. LIST, 8. NEXT, 9. PREV

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ARTICLES OF MERGER
OF
ORCHARD MERGER SUBSIDIARY, INC.
WITH AND INTO
PEACH HOLDINGS, INC.

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1105 of the Florida Business Corporation Act (the "FBCA"), Orchard Merger Subsidiary, Inc., a Florida corporation (the "Merging Corporation"), and Peach Holdings, Inc., a Florida corporation (the "Surviving Corporation"), hereby adopt the following Articles of Merger for the purpose of effecting the merger of the Merging Corporation with and into the Surviving Corporation (the "Merger"), which will be the surviving corporation in the Merger.

ARTICLE I

The plan of merger, as contained in the Agreement and Plan of Merger (the "Merger Agreement"), dated September 11, 2006, among the Surviving Corporation, Orchard Acquisition Company, a Delaware corporation, and the Merging Corporation, effecting the Merger of the Merging Corporation with and into the Surviving Corporation, is attached hereto and made a part of these Articles of Merger as Exhibit A (the "Plan of Merger").

ARTICLE II

Pursuant to Section 607.1105(1)(b) of the FBCA, the effective date of the Merger shall be the date of filing of these Articles of Merger with the Department of State of the State of Florida and the effective time shall be 1:00 p.m. E.S.T.

ARTICLE III

The Merger Agreement, including the Plan of Merger constituting a part thereof, was adopted and approved by the Board of Directors and sole shareholder of the Merging Corporation on September 11, 2006. The Merger Agreement, including the Plan of Merger constituting a part thereof, was adopted by the Board of Directors of the Surviving Corporation on September 11, 2006 and approved by the shareholders of the Surviving Corporation on November 7, 2006.

ARTICLE IV

This document may be executed in separate counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused these Articles of Merger to be executed as of the 21st day of November, 2006.

ORCHARD MERGER SUBSIDIARY, INC., a Florida corporation (the "Merging Corporation")

By: _____
Name: _____
Title: _____

PEACH HOLDINGS, INC., a Florida corporation (the "Surviving Corporation")

By: _____
James D. Terlizzi
Chief Executive Officer

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

dated as of

September 11, 2006

among

PEACH HOLDINGS, INC.,

ORCHARD ACQUISITION COMPANY

and

ORCHARD MERGER SUBSIDIARY INC.

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "**Agreement**") dated as of September 11, 2006 among Peach Holdings, Inc., a Florida corporation (the "**Company**"), Orchard Acquisition Company, a Delaware corporation ("**Buyer**"), and Orchard Merger Subsidiary Inc., a Florida corporation and a wholly-owned subsidiary of Buyer ("**Merger Subsidiary**").

The parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions.* (a) As used herein, the following terms have the following meanings:

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement and transactions constituting securitizations of assets or other sales of receivables or insurance policies (including the sale of a subsidiary used to title such receivables, assets or insurance policies) in financing transactions in the ordinary course of business consistent with past practice, any offer or proposal from any Third Party to the Company or any of its Subsidiaries (or any of their respective Advisors with respect to the Company or any of its Subsidiaries) relating to (A) any acquisition or purchase, direct or indirect, of at least 30% of the consolidated assets of the Company and its Subsidiaries, securities representing over 20% of the voting power of the capital stock of the Company, or any percentage of any class or classes of equity or voting securities of the Company or any of its Subsidiaries, if the same percentage of the assets of the issuer thereof represents, individually or in the aggregate, when combined with such Third Party's ownership of other assets or equity or voting securities of the Company and its Subsidiaries, at least 30% of the consolidated assets of the Company and its Subsidiaries, (B) any tender offer (including a self-tender offer) or exchange offer that, if consummated, would result in such Third Party beneficially owning securities representing over 20% of the voting power of the capital stock of the Company, or any percentage of any class or classes of equity or voting securities of the Company or any of its Subsidiaries, if the same percentage of the assets of the issuer thereof represents, individually or in the aggregate, when combined with such Third Party's ownership of other assets or equity or voting securities of the Company and its Subsidiaries, individually or in the aggregate, at least 30% of the consolidated assets of the Company and its Subsidiaries, (C) a merger, consolidation, share exchange, business combination, sale of substantially all the assets, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any of its Subsidiaries whose assets, individually or in the aggregate, constitute at least 30% of the consolidated assets of the Company or (D) any other transaction the

consummation of which would reasonably be expected to impede, interfere with, prevent or materially delay the Merger or would reasonably be expected to dilute materially the benefits to Buyer of the transactions contemplated hereby.

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

"AIM" means AIM, a market operated by London Stock Exchange plc.

"AIM Rules" means the AIM Rules for Companies dated August 2006, or any subsequent revision thereof.

"Applicable Law" means, with respect to any Person, any federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York or London, England are authorized or required by Applicable Law to close.

"Buyer Disclosure Schedule" means the disclosure schedule dated the date hereof regarding this Agreement that has been provided by Buyer and Merger Subsidiary to the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Admission Document" means the Admission Document dated 24 March 2006 of the Company relating to the admission of the Company Stock to trading on the AIM, a copy of which is attached hereto as Exhibit A.

"Company Balance Sheet" means the combined balance sheet of the Peach Holdings, LLC (currently the sole direct wholly-owned subsidiary of the Company) and its combined affiliate as of December 31, 2005 and the footnotes thereto set forth in the audited combined financial statements of Peach Holdings, LLC and its combined affiliate as of December 31, 2005, a copy of which is attached hereto as Exhibit B.

"Company Balance Sheet Date" means December 31, 2005.

"Company Disclosure Schedule" means the disclosure schedule dated the date hereof regarding this Agreement that has been provided by the Company to Buyer and Merger Subsidiary.

"**Company Material Contract**" means each agreement, contract or commitment to which the Company or any of its Subsidiaries is a party that is of a type described in any of clauses (i) through (viii) of Section 4.13(a).

"**Company Stock**" means the common stock, $0.001 par value, of the Company.

"**Contribution and Voting Agreement**" means the Contribution and Voting Agreement dated as of the date hereof among the Participating Shareholders, DLJ Merchant Banking Partners IV, L.P., DLJ Offshore Partners IV, L.P., DLJ Merchant Banking Partners IV (Pacific), L.P., MBP IV Investors, L.P., CSFB LP Holding, Guernsey Branch and Buyer, a copy of which is attached hereto as Exhibit C.

"**Delaware Law**" means the General Corporation Law of the State of Delaware, as amended.

"**Employee Plan**" means any "employee benefit plan," as defined in Section 3(3) of ERISA, each employment, severance or similar contract or arrangement and each other or any plan, policy, fund, program or arrangement (written or oral) providing for compensation, insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, pension or other retirement benefits, deferred compensation, profit-sharing, bonuses, equity or equity-based compensation or other form of incentive compensation, vacation or post-retirement insurance, compensation or benefits which is maintained, administered or contributed to by the Company or any ERISA Affiliate and covers any current or former employee, independent contractor or director of the Company or any of its Subsidiaries, or with respect to which the Company or any of its Subsidiaries has any liability; *provided* that such term shall not include base salary and mandatory overtime, mandatory unemployment compensation, Social Security contributions or any other state or federal mandated programs.

"**Environmental Laws**" means any Applicable Laws or any agreement with any Governmental Authority or other third party relating to the effect of the environment on human health and safety, the environment or the use, manufacture, storage, presence, release, discharge, generation, transportation, treatment, disposal, handling, remediation, removal of, or exposure to, any contaminants, pollutants, waste or hazardous substances or materials.

"**Environmental Permits**" means all permits, licenses, franchises, certificates, approvals and other similar authorizations of Governmental Authorities relating to or required by Environmental Laws and affecting, or relating to, the business of the Company or any Subsidiary as currently conducted.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Affiliate**" of any entity means any other entity that, together with such entity, would be treated as a single employer under Section 414 of the Code.

"**FBCA**" means the Florida Business Corporation Act, as amended.

"**GAAP**" means generally accepted accounting principles in the United States.

"**Governmental Authority**" means any transnational, domestic or foreign federal, state or local, governmental authority, department, court, agency or official, including any political subdivision thereof.

"**Hazardous Substance**" means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material, or any substance, waste or material having any constituent elements displaying any of the foregoing characteristics, which is regulated under any Environmental Law, including asbestos in any form that is or could become friable, polychlorinated biphenyls and petroleum products or byproducts.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Knowledge**" means (i) with respect to the Company, the actual knowledge of any individual named in Section 1.01 of the Company Disclosure Schedule, after reasonable inquiry, and (ii) with respect to Buyer or Merger Subsidiary, the actual knowledge of the officers of the Buyer or Merger Subsidiary, as applicable, after reasonable inquiry.

"**Lien**" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of such property or asset. For purposes of this Agreement, a Person shall be deemed to own subject to a Lien any property or asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset.

"**Life Settlement Corporation**" means Life Settlement Corporation, a Georgia Corporation.

"**Material Adverse Effect**" means, with respect to any Person, a material adverse effect on the financial condition, business, assets or results of operations of, such Person and its Subsidiaries, taken as a whole; *provided, however*, that any effect resulting from (i) any change(s) in the economy or securities markets of the United States or the United Kingdom (or any region thereof) in general not having a disproportionate effect on such Person relative to other Persons in the same or similar lines of business, or (ii) any change(s) in the regulatory or legislative

environment affecting any of the industries in which such Person conducts its business, (iii) any change(s) resulting from the impact of changes in the application of FTB-85-4-1 to the extent that such changes do not result in any default or event of default under any debt or other financing arrangements of the Company or any of its Subsidiaries or (iv) the execution and delivery of this Agreement, the transactions contemplated hereby or the announcement thereof shall not be considered when determining if a Material Adverse Effect has occurred or would be reasonably expected to occur, except that the enactment or adoption of any federal or state statute(s) or regulation(s), or any change to the Viatical Settlements Model Act of the National Association of Insurance Commissioners, that (a) would impose an excise tax on life settlements or structured settlements, (b) would extend the contestability period of life insurance policies to over five years or prohibit the transfer of life insurance policies until more than five years after the date of issuance or (c) has a significant material adverse effect on the transferability of life insurance policies or structured legal settlements generally, may be considered in determining whether a Material Adverse Effect on the Company or Life Settlement Corporation exists; *provided further* that any Material Adverse Effect on Life Settlement Corporation shall be considered a Material Adverse Effect on the Company; and *provided further* that any actions, suits, investigations or proceedings brought against the Company or any of its Subsidiaries before any court, arbitrator or other Governmental Authority that would reasonably be expected to result in damages, losses, penalties, liabilities or expenses (net of insurance, indemnity or other recoveries from third parties, and assets held as collateral for such obligations that are available for payment thereof) to the Company and its Subsidiaries of more than $20 million in the aggregate to the extent attributable directly or indirectly to the incorrectness in any respect of the intended tax consequences of the Compbuilder®, Asset Advantage® or WealthBuilder™ transactions shall be considered a Material Adverse Effect on the Company.

"**1933 Act**" means the Securities Exchange Act of 1933, as amended.

"**1934 Act**" means the Securities Exchange Act of 1934, as amended.

"**Participating Shareholders**" means James Terlizzi, Timothy Trankina, Craig Lessner, Sergio Salani, Michael Popper, Paul Benk, Stephen Berenzweig, LLR Equity Partners, L.P., LLR Equity Partners Parallel, L.P., LLR Equity Partners II, L.P., LLR Equity Partners Parallel II, L.P., Greenhill Capital Partners, L.P., Greenhill Capital Partners (Cayman), L.P., Greenhill Capital Partners (Executives), L.P. and Greenhill Capital, L.P.

"**Permitted Exceptions**" means (i) Liens disclosed on the Company Balance Sheet, (ii) Liens for Taxes not yet due or being contested in good faith (and for which adequate accruals or reserves have been established on the Company Balance Sheet), (iii) zoning, entitlement, building and other land use regulations, (iv) covenants, conditions, restrictions, easements and other similar matters of record relating to real property, (v) Liens for workers' compensation,

unemployment insurance and other benefits incurred in the ordinary course of business, and (vi) any Liens which do not materially detract from the value or materially interfere with any present use of such property or assets.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**Post-Closing Tax Period**" means any Tax period beginning after the day on which the Effective Time occurs; and, with respect to a Tax period that begins on or before the day on which the Effective Time occurs and ends thereafter, the portion of such Tax period beginning after the day on which the Effective Time occurs.

"**Pre-Closing Tax Period**" means any Tax period ending on or before the day on which the Effective Time occurs; and, with respect to a Tax period that begins on or before the day on which the Effective Time occurs and ends thereafter, the portion of such Tax period ending on the day on which the Effective Time occurs.

"**Representative**" means, with respect to any Person, such Person's officers, directors, employees, counsel, financial advisors, auditors and other authorized representatives.

"**SEC**" means the United States Securities and Exchange Commission.

"**Special Committee**" means a special committee of the Board of Directors presently composed of Messrs. Dermot Smurfit and Bruce Crockett.

"**Subsidiary**" means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at any time directly or indirectly owned by such Person. Without limiting the effect of the foregoing, Life Settlement Corporation shall be deemed to be a Subsidiary of the Company for all purposes hereunder, other than Section 4.08(a).

"**Supplemental Agreement**" means the Supplemental Agreement to be entered into among Buyer, Peach Settlement Funding Corporation and Funding Investors, LLC, containing the terms and conditions described in Exhibit E.

"**Tax**" means (i) any tax, governmental fee or other like assessment or charge of any kind whatsoever (including, but not limited to, withholding on amounts paid to or by any Person), together with any interest, penalty, addition to tax or additional amount imposed by any governmental authority (a "**Taxing Authority**") responsible for the imposition of any such tax (domestic or foreign), and any liability for any of the foregoing as transferee, (ii) in the case of the Company or any of its Subsidiaries, liability for the payment of any amount of the

type described in clause (i) as a result of being or having been before the Effective Date a member of an affiliated, consolidated, combined or unitary group, or a party to any agreement or arrangement, as a result of which liability of the Company or any of its Subsidiaries to a taxing authority is determined or taken into account with reference to the activities of any other Person and (iii) liability of the Company or any of its Subsidiaries for the payment of any amount as a result of being party to any Tax Sharing Agreement or with respect to the payment of any amount imposed on any person of the type described in (i) or (ii) as a result of any existing express or implied agreement or arrangement (including, but not limited to, an indemnification agreement or arrangement).

"**Tax Asset**" means any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or any other credit or tax attribute that could be carried forward or back to reduce Taxes (including without limitation deductions and credits related to alternative minimum Taxes).

"**Tax Sharing Agreements**" means all existing agreements or arrangements (whether or not written) binding the Company or any of its Subsidiaries that provide for the allocation, apportionment, sharing or assignment of any Tax liability or benefit, or the transfer or assignment of income, revenues, receipts, or gains for the purpose of determining any person's Tax liability.

"**Third Party**" means any Person, including as defined in Section 13(d) of the 1934 Act, other than Buyer or any of its Affiliates (including the parties to the Contribution and Voting Agreement and their respective Affiliates).

(b) Each of the following terms is defined in the Section set forth opposite such term:

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Section 1.02. *Other Definitional and Interpretative Provisions.* The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the

terms hereof and thereof; *provided* that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any Applicable Law.

ARTICLE 2
THE MERGER

Section 2.01. *The Merger.* (a) At the Effective Time, Merger Subsidiary shall be merged (the "**Merger**") with and into the Company in accordance with, and subject to, the FBCA, whereupon the separate existence of Merger Subsidiary shall cease, and the Company shall be the surviving corporation (the "**Surviving Corporation**").

(b) As soon as practicable after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger, the Company and Merger Subsidiary shall file the articles of merger (the "**Articles of Merger**") with the Secretary of State of the State of Florida and make all other filings or recordings required by the FBCA in connection with the Merger. The Merger shall become effective at such time (the "**Effective Time**") as the Articles of Merger are duly filed with the Secretary of State of the State of Florida (or at such later time as may be agreed by the parties hereto and specified in the Articles of Merger).

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

Section 2.02. *Effect on Capital Stock.* At the Effective Time, by virtue of the Merger and without any action on the part of Merger Subsidiary, the Company or the holders of any shares of Company Stock or any shares of capital stock of the Merger Subsidiary:

(a) Each share of capital stock of Merger Subsidiary issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation.

(b) Any shares of Company Stock that are owned by the Company immediately prior to the Effective Time as treasury stock, and any shares of Company Stock owned by Buyer or the Merger Subsidiary immediately prior to the Effective Time (after giving effect to the contribution of Company Stock to Buyer pursuant to the Contribution and Voting Agreement), shall be

automatically cancelled and shall cease to exist and no consideration shall be delivered in exchange therefor (the "**Cancelled Shares**"). Each share of Company Stock held by any Subsidiary of the Company prior to the Effective Time shall be converted into such number of validly issued, fully paid and nonassessable shares of stock of the Surviving Corporation such that each such Subsidiary owns the same percentage of Surviving Corporation immediately following the Effective Time as such Subsidiary owned in the Company immediately prior to the Effective Time (the "**Subsidiary Shares**").

(c) Except as provided in Section 2.04, each share of Company Stock issued and outstanding immediately prior to the Effective Time (other than the Cancelled Shares and Subsidiary Shares), shall be converted into the right to receive an amount in cash equal to £3.85, without interest (the "**Merger Consideration**"), subject to adjustment in accordance with Section 2.06. As of the Effective Time, all such shares of Company Stock shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and each holder of a certificate (or evidence of shares in book-entry form) which immediately prior to the Effective Time represented any such shares of Company Stock shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration to be paid in consideration therefor upon surrender of such certificated or uncertificated shares in accordance with Section 2.03, without interest.

Section 2.03. *Surrender and Payment.* (a) Prior to the Effective Time, Buyer shall appoint a bank or trust company reasonably acceptable to the Company (the "**Exchange Agent**") for the purpose of exchanging for the Merger Consideration (i) certificates representing shares of Company Stock (the "**Certificates**") or (ii) uncertificated shares of Company Stock (the "**Uncertificated Shares**"). Buyer shall make available to the Exchange Agent, at or prior to the Effective Time, (x) the aggregate Merger Consideration to be paid in respect of the Certificates and the Uncertificated Shares (other than the Cancelled Shares and the Subsidiary Shares) and (y) the aggregate Option Consideration to be paid in respect of the Option. Such funds shall be invested by the Exchange Agent as directed by Buyer pending payment thereof by the Exchange Agent to the holders of Company Stock, *provided* that no such investment or losses resulting therefrom will affect the cash amounts payable to the holders of Company Stock. Earnings from such investments shall be the sole and exclusive property of Buyer and the Surviving Corporation, and no part of such earnings shall accrue to the benefit of holders of Company Stock. Promptly after the Effective Time, Buyer shall send, or shall cause the Exchange Agent to send, to each holder of Company Stock at the Effective Time a letter of transmittal and instructions in form and substance reasonably acceptable to the Company (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the Certificates or transfer of the Uncertificated Shares to the Exchange Agent) for use in such exchange.

(b) Each holder of shares of Company Stock that have been converted into the right to receive the Merger Consideration shall be entitled to receive, upon (i) surrender to the Exchange Agent of a Certificate, together with a properly completed letter of transmittal, or (ii) receipt of an "agent's message" by the Exchange Agent (or such other evidence, if any, of transfer as the Exchange Agent may reasonably request) in the case of a book-entry transfer of Uncertificated Shares, the Merger Consideration payable for each share represented by a Certificate or for each Uncertificated Share, determined in accordance with Section 2.02(c). Until so surrendered or transferred, as the case may be, each such Certificate or Uncertificated Share shall represent after the Effective Time for all purposes only the right to receive such Merger Consideration.

(c) If any portion of the Merger Consideration is to be paid to a Person other than the Person in whose name the surrendered Certificate or the transferred Uncertificated Share is registered, it shall be a condition to such payment that (i) either such Certificate shall be properly endorsed or shall otherwise be in proper form for transfer or such Uncertificated Share shall be properly transferred and (ii) the Person requesting such payment shall pay to the Exchange Agent any transfer or other taxes required as a result of such payment to a Person other than the registered holder of such Certificate or Uncertificated Share or establish to the reasonable satisfaction of the Exchange Agent that such tax has been paid or is not payable.

(d) After the Effective Time, there shall be no further registration of transfers of shares of Company Stock. If, after the Effective Time, Certificates or Uncertificated Shares are presented to the Surviving Corporation, they shall be cancelled and exchanged for the Merger Consideration provided for, and in accordance with the procedures set forth, in this Article 2.

(e) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to Section 2.03 (and any interest or other income earned thereon) that remains unclaimed by the holders of shares of Company Stock one year after the Effective Time shall be returned to Buyer, upon demand, and any such holder who has not exchanged such shares of Company Stock for the Merger Consideration in accordance with this Section 2.03 prior to that time shall thereafter look only to Buyer for payment of the Merger Consideration in respect of such shares of Company Stock, without any interest thereon. Notwithstanding the foregoing, Buyer shall not be liable to any holder of shares of Company Stock for any amount paid to a public official pursuant to applicable abandoned property, escheat or similar laws.

(f) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to Section 2.03 to pay for shares of Company Stock for which appraisal rights have been perfected under the FBCA shall be returned to Buyer, upon demand.

Section 2.04. *Dissenting Shares of Company Stock.* Notwithstanding Section 2.02, shares of Company Stock outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has demanded appraisal for such shares of Company Stock in accordance with the FBCA shall not be converted into a right to receive the Merger Consideration, unless such holder fails to perfect, withdraws or otherwise loses the right to appraisal. If, after the Effective Time, such holder fails to perfect, withdraws or loses the right to appraisal, such shares of Company Stock shall be treated as if they had been converted as of the Effective Time into a right to receive the Merger Consideration (determined in accordance with Section 2.02(c)) in cash, without interest to the extent permitted by Applicable Law. The Company shall give Buyer prompt notice of any demands received by the Company for appraisal of shares of Company Stock, and Buyer shall have the right to participate in all negotiations and proceedings with respect to such demands. Except with the prior written consent of Buyer, the Company shall not make any payment with respect to, or offer to settle or settle, any such demands.

Section 2.05. *Stock Option.* At the Effective Time, the Option shall be cancelled in consideration for which the holder thereof shall thereupon be entitled to receive, promptly after the Effective Time, a cash payment from the Surviving Corporation (subject to any tax withholding required by Applicable Law) in respect of such cancellation in an amount equal to the product of (x) the number of shares of Company Stock subject to such Option and (y) (i) £3.85 minus (ii) the exercise price per share of such Option (the "**Option Consideration**").

Section 2.06. *Adjustments.* If, during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of Company Stock shall occur, including by reason of any reclassification, recapitalization, stock split or combination, exchange or readjustment of shares of Company Stock, or stock dividend thereon with a record date during such period, the Merger Consideration and any other amounts payable pursuant to this Agreement shall be appropriately adjusted.

Section 2.07. *Withholding Rights.* Each of the Surviving Corporation and Buyer shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article 2 such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of federal, state, local or foreign tax law. If the Surviving Corporation or Buyer, as the case may be, so withholds amounts, such amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Stock in respect of which the Surviving Corporation or Buyer, as the case may be, made such deduction and withholding.

Section 2.08. *Lost Certificates.* If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the

Surviving Corporation, the posting by such Person of a bond, in such reasonable amount as the Surviving Corporation may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration to be paid in respect of the shares of Company Stock represented by such Certificate, as contemplated by this Article 2.

ARTICLE 3
THE SURVIVING CORPORATION

Section 3.01. *Articles of Incorporation.* The articles of incorporation of Merger Subsidiary as in effect at the Effective Time shall be the articles of incorporation of the Surviving Corporation until amended in accordance with Applicable Law.

Section 3.02. *Bylaws.* The bylaws of Merger Subsidiary as in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with Applicable Law.

Section 3.03. *Directors and Officers.* From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with Applicable Law, (i) the directors of Merger Subsidiary at the Effective Time shall be the directors of the Surviving Corporation and (ii) the officers of the Company at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Company Disclosure Schedule or the Company Admission Document (other than Part III thereof), the Company hereby represents and warrants to Buyer and Merger Subsidiary as set forth in this Article 4. Each item disclosed in the Company Disclosure Schedule shall constitute an exception to the representations and warranties to which it makes reference and shall be deemed to be disclosed with respect to the representation and warranty to which it relates and to any other representation and warranty herein given, without the necessity of repetitive disclosure, so long as such item is fairly described with reasonable particularity and detail and such description provides a cross-reference or other reasonable indication that the item applies to such other representation and warranty.

Section 4.01. *Corporate Existence and Power.* The Company is a corporation duly incorporated, validly existing and of active status under the laws of the State of Florida and has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business

as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which would not have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company is duly qualified to do business as a foreign corporation and is in good standing as a foreign corporation in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified would not have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company has heretofore delivered to Buyer true and complete copies of the articles of incorporation and bylaws of the Company as currently in effect.

Section 4.02. *Corporate Authorization.* (a) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby are within the Company's corporate powers and, except for the required approval of the Company's shareholders in accordance with the FBCA and the AIM Rules, have been duly authorized by all necessary corporate action on the part of the Company. The affirmative vote of the holders of a majority of the outstanding shares of Company Stock is the only vote of the holders of any of the Company's capital stock necessary in connection with the consummation of the Merger (the "**Company Shareholder Approval**"). This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery of this Agreement by the other parties hereto, is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as such enforceability is subject to the effect of (i) any applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally and (ii) general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law).

(b) At a meeting held on September 11, 2006, the Special Committee unanimously determined that this Agreement and the transactions contemplated hereby are advisable and fair to and in the best interests of the Company's shareholders (other than the Participating Shareholders), and the Board of Directors has (i) unanimously determined that this Agreement and the transactions contemplated hereby are advisable and fair to and in the best interests of the Company's shareholders (other than the Participating Shareholders), (ii) unanimously approved and adopted this Agreement and the transactions contemplated hereby and (iii) unanimously resolved (subject to Section 6.03) to recommend approval and adoption of this Agreement by the Company's shareholders (such recommendation, the "**Company Board Recommendation**").

Section 4.03. *Governmental Authorization.* The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby require no action by or in respect of, or filing with, any Governmental Authority other than (i) the filing of the Articles of Merger with the Secretary of State of the State of Florida and

appropriate documents with the relevant authorities of other states in which the Company is qualified to do business, (ii) compliance with any applicable requirements of the HSR Act, (iii) compliance with any applicable requirements of the 1934 Act and the AIM Rules and requirements to delist the Company from AIM, (iv) receipt of approval from the Florida Office of Insurance Regulation (and subsequent notice or similar filings with other state insurance regulatory authorities in states in which Life Settlement Corporation is licensed), and (v) any actions or fllings the absence of which would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on the Company or materially to impair the ability of the Company to consummate the transactions contemplated by this Agreement.

Section 4.04. *Non-contravention.* The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby do not and will not (i) contravene, conflict with, or result in any violation or breach of any provision of the articles of incorporation or bylaws of the Company, (ii) assuming compliance with the matters referred to in Section 4.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, (iii) assuming compliance with the matters referred to in Section 4.03, require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company or any of its Subsidiaries is entitled under any provision of any agreement or other instrument binding upon the Company or any of its Subsidiaries or any license, franchise, permit, certificate, approval or other similar authorization affecting, or relating in any way to, the assets or business of the Company and its Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries, with such exceptions, in the case of each of clauses (ii) through (iv), as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

Section 4.05. *Capitalization.* (a) The authorized capital stock of the Company consists of 150,000,000 shares of Company Stock. As of August 29, 2006, there were outstanding 104,277,832 shares of Company Stock and an option (the "**Option**") granted to Dermot Smurfit to purchase 1,038,900 shares of Company Stock at an exercise price of 309 pence per share pursuant to a Nonqualified Stock Option Agreement dated as of March 24, 2006 and amended as of the date hereof (subject to adjustment as provided in Section 9 thereof). All outstanding shares of Company Stock have been, and all shares that may be issued pursuant to the Option will be, when issued in accordance with the terms thereof, duly authorized and validly issued and are fully paid and nonassessable. Except as set forth in Section 4.05 of the Company Disclosure Schedule, no Subsidiary or Affiliate of the Company owns any shares of Company Stock or any Company Securities.

(b) Except as described in Section 4.05(a) and for changes since August 29, 2006 resulting from the exercise of the Option, there are no outstanding (i) shares of capital stock or voting securities of the Company, (ii) securities of the Company convertible into or exchangeable for shares of capital stock or voting securities of the Company or (iii) options (other than the Option) or other rights to acquire from the Company, or other obligations of the Company to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Company (the items in clauses (i), (ii) and (iii) being referred to collectively as the **"Company Securities"**). There are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Company Securities.

Section 4.06. *Subsidiaries.* (a) Each Subsidiary of the Company is duly organized, validly existing and in good corporate (or similar) standing (or of active status) under the laws of its jurisdiction of organization, has all powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which would not have, individually and in the aggregate, a Material Adverse Effect on the Company. Each such Subsidiary is duly qualified to do business as a foreign corporation (or other business entity) and is in good standing as a foreign corporation (or other business entity) in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified would not have, individually or in the aggregate, a Material Adverse Effect on the Company. All Subsidiaries of the Company and their respective jurisdictions of organization are identified in Section 4.06 of the Company Disclosure Schedule.

(b) All of the outstanding capital stock of, and other voting securities and ownership interests in, each Subsidiary of the Company, are owned by the Company, directly or indirectly, free and clear of any Lien and any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities or ownership interests (other than Permitted Exceptions and restrictions imposed under applicable securities laws). There are no outstanding (i) securities of the Company or any of its Subsidiaries convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in any Subsidiary of the Company or (ii) options or other rights to acquire from the Company or any of its Subsidiaries, or other obligation of the Company or any of its Subsidiaries to issue, any capital stock or other voting securities or ownership interests in, or any securities convertible into or exchangeable for any capital stock or other voting securities or ownership interests in, any Subsidiary of the Company (the items in clauses (i) and (ii) being referred to collectively as the **"Company Subsidiary Securities"**). There are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Company Subsidiary Securities.

Section 4.07. *AIM Filings; SEC Matters.* (a) The Company Admission Document and all other reports, announcements, circulars and other documents

required to be published by the Company in accordance with the AIM Rules since March 27, 2006 (the documents referred to in this Section 4.07(a), collectively, the "**Company AIM Documents**") have been so published in accordance with the AIM Rules.

(b) As of its publication date, each Company AIM Document complied as to form in all material respects with the applicable requirements of the AIM Rules.

(c) As of its publication date, each Company AIM Document published in accordance with the AIM Rules complied in all material respects with Applicable Law and did not contain any untrue statement of a material fact or (in the case of the AIM Admission Document and the half-yearly report for the six months ended on June 30, 2006 required to be filed pursuant to the AIM Rules) omit any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(d) Neither the Company nor any of its Subsidiaries is, and neither the Company nor any of its Subsidiaries has been since its incorporation or organization, required to register any Company Securities, Company Subsidiary Securities or any other securities of the Company or any of its Subsidiaries with, or file any report pursuant to section 15(d) of 1934 Act with, the SEC.

Section 4.08. *Financial Statements.* (a) The audited combined balance sheet and related audited combined statements of operations, changes in members' equity and cash flows for the year ended December 31, 2005, and the unaudited interim combined balance sheet as of June 30, 2006 and the related unaudited interim combined statements of operations and cash flows for the six months ended June 30, 2006 of Peach Holdings, LLC and its combined affiliate, and the Company and its combined affiliate (as applicable), fairly present (or will fairly present when published), in conformity with GAAP consistently applied (except as indicated in the notes thereto), the combined financial position of Peach Holdings, LLC or the Company (as applicable) and its combined affiliate as of the dates thereof and their combined results of operations and cash flows for the periods then ended (subject to normal closing adjustments in the case of any unaudited interim financial statements). The audited balance sheet and related audited statements of operations and cash flows for the years ended December 31, 2005 and December 31, 2004 of Life Settlement Corporation, fairly present, in conformity with GAAP consistently applied (except as indicated in the notes thereto), Life Settlement Corporation's financial position as of such dates and results of operations and cash flows for the years then ended. The audited balance sheet of the Company as at March 6, 2006 included in the Company Admission Document, fairly presents, in conformity with GAAP, the financial position of the Company as of such date. The combined balance sheet and related combined statements of operations and cash flows of Peach Holdings, LLC and associated entities disclosed in Note 5.3 on page 68 of the Company Admission Document for the years ended December 31, 2003 and December 31, 2004, fairly present, in

conformity with GAAP consistently applied (except as indicated in the notes thereto or Note 5.1 on page 56 of the Company Admission Document), the combined financial position of Peach Holdings LLC and associated entities as of the dates thereof and their combined results of operations and cash flows for the years then ended.

(b) Since December 31, 2002, neither the Company nor any of its Subsidiaries nor, to the Company's Knowledge, any director, executive officer, employee of the Company or any of its Subsidiaries has received any written complaint, allegation or claim that the Company or any of its Subsidiaries has engaged in improper or misleading accounting.

Section 4.09. *Disclosure Documents.* The proxy statement of the Company to be distributed to the Company's shareholders in connection with the Merger (the "**Company Proxy Statement**") and any amendments or supplements thereto will comply as to form in all material respects with the requirements of the Applicable Law, including the FBCA and the AIM Rules. At the time the Company Proxy Statement or any amendment or supplement thereto is first mailed to shareholders of the Company, and at the time such shareholders vote on adoption of this Agreement and approval of the Merger and at the Effective Time, the Company Proxy Statement, as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 4.09 will not apply to statements or omissions included in the Company Proxy Statement based upon information furnished to the Company in writing by or on behalf of Buyer or Merger Subsidiary specifically for use therein.

Section 4.10. *Absence of Certain Changes.* Since the Company Balance Sheet Date, the business of the Company and its Subsidiaries has been conducted in the ordinary course consistent in all material respects with past practices and there has not been:

(a) any event, occurrence or development that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company;

(b) any amendment of the articles of incorporation, bylaws or other similar organizational documents (whether by merger, consolidation or otherwise) of the Company or its Subsidiaries;

(c) any splitting, combination or reclassification of any shares of capital stock of the Company or any of its Subsidiaries or declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock (other than a cash dividend as contemplated by Section 6.01(b) hereof), or redemption, repurchase

or other acquisition or offer to redeem, repurchase, or otherwise acquire any Company Securities or any Company Subsidiary Securities.

(d) (i) any issuance, delivery or sale, or authorization of the issuance, delivery or sale, of any shares of any Company Securities or Company Subsidiary Securities, other than the issuance of (A) any shares of the Company Stock upon the exercise of the Option in accordance with the terms on the date of the Option and (B) any Company Subsidiary Securities to the Company or any other wholly-owned Subsidiary of the Company or (ii) amendment of any term of any Company Security or any Company Subsidiary Security (in each case, whether by merger, consolidation or otherwise);

(e) any incurrence of any capital expenditures or any obligations or liabilities in respect thereof by the Company or any of its Subsidiaries, except for (i) those contemplated by the capital expenditure budget for the Company and its Subsidiaries that is attached to Section 4.10(e) of the Company Disclosure Schedule (the **"Capex Budget"**) and (ii) any unbudgeted capital expenditures not to exceed $500,000 individually or $3,000,000 in the aggregate;

(f) any acquisition (by merger, consolidation, acquisition of stock or assets or otherwise) by the Company or any of its Subsidiaries of any assets, securities, properties, interests or businesses, other than (i) acquisitions of assets, securities, properties or interests in the ordinary course of business of the Company and its Subsidiaries in a manner that is consistent with past practice and (ii) acquisitions with a purchase price (including assumed indebtedness) that does not exceed $250,000 individually or $1,000,000 in the aggregate;

(g) any sale, lease or other transfer, or creation or incurrence of any Lien on, any assets, securities, properties, interests or businesses of the Company or any of its Subsidiaries, other than (i) sales of assets, securities, properties or interests in the ordinary course of business consistent with past practice, (ii) Permitted Exceptions and (iii) sales of assets, securities, properties, interests or businesses with a sale price (including any related assumed indebtedness) that does not exceed $500,000 individually or $1,000,000 in the aggregate;

(h) other than in connection with actions permitted by Section 4.10(d) or Section 4.10(f), the making by the Company or any of its Subsidiaries of any loans, advances or capital contributions to, or investments in, any other Person, other than in the ordinary course of business consistent with past practice;

(i) the creation, incurrence, assumption or sufferance to exist by the Company or any of its Subsidiaries of any indebtedness for borrowed money or guarantees thereof other than in the ordinary course of business and in amounts and on terms consistent with past practices;

(j) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of the Company or any of

its Subsidiaries that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company;

(k) any entering into of any agreement or arrangement by the Company or any Subsidiary that limits or otherwise restricts in any material respect the Company, any of its Subsidiaries or any of their respective Affiliates or that would, after the Effective Time, limit or restrict in any material respect the Company, any of its Subsidiaries, the Surviving Corporation, Buyer or any of their respective Affiliates, from engaging or competing in any line of business, in any location or with any Person;

(l) any entering into, amendment or modification in any material respect or termination of any Company Material Contract or waiver, release or assignment of any material rights, claims or benefits of the Company or any of its Subsidiaries thereunder (other than (A) in connection with the admission of shares of Company Stock to trading on AIM and the placing of shares of Company Stock as set forth in the AIM Admission Document, (B) in the ordinary course and which has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company or (C) as permitted after the date hereof pursuant to the terms of Section 6.01(i)(B));

(m) (i) any grant or increase of any severance or termination pay to (or amendment of any existing arrangement with) any employee, director or independent contractor of the Company or any of its Subsidiaries, (ii) any increase in benefits payable under any existing severance or termination pay policies or employment agreements, (iii) the entering into of any employment, consultancy, retirement, deferred compensation or other similar agreement (or amendment of any such existing agreement) with any employee, director or independent contractor of the Company or any of its Subsidiaries (except for the hiring of new employees or independent contractors in the ordinary course of business, in each case on terms that are consistent with past practices), (iv) the establishment, adoption or amendment (except as required by Applicable Law) of any collective bargaining, pension or other retirement benefit, deferred compensation, profit-sharing, bonus, equity or equity-based compensation or other form of incentive compensation, post-retirement insurance, compensation or benefit arrangement covering any employee, director or independent contractor of the Company or any of its Subsidiaries or (v) any increase in excess of $250,000 of compensation, bonus or other benefits payable to any employee, director or independent contractor of the Company or any of its Subsidiaries;

(n) any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of the Company or any of its Subsidiaries, or any lockouts, strikes, slowdowns, work stoppages or threats thereof by or with respect to such employees;

(o) any change in the Company's methods of accounting, except as required by concurrent changes in GAAP or by the AIM Rules and agreed to by the Company's independent public accountants;

(p) any settlement, or offer or proposal to settle, by the Company or any of its Subsidiaries, of (i) any material litigation, investigation, arbitration, proceeding or other claim involving or against the Company or any of its Subsidiaries, other than settlements or offers or proposals to settle in the ordinary course of business, (ii) any shareholder litigation against the Company or any of its officers or directors or (iii) any litigation, arbitration, proceeding or dispute that relates to this Agreement or the transactions contemplated hereby;

(q) any Tax election made (except in the ordinary course of business consistent with past practices) or changed, any annual tax accounting period made or changed, any method of tax accounting adopted or changed, any Returns amended or claims for Tax refunds filed, any closing agreement entered into, any Tax claim, audit or assessment settled, or any right to claim a Tax refund, offset or other reduction in Tax liability surrendered; or

(r) other than documentation entered into in connection with the admission of the Company Stock to trading on AIM and the placing of shares of Company Stock as set forth in the AIM Admission Document and listed in Section 4.10(r) of the Company Disclosure Schedule, any transaction between the Company or any of its Subsidiaries with (i) any officer or director of the Company or any of its Subsidiaries (other than the Option and contracts or agreements relating to employment and letters of appointment relating to directors and listed in Section 4.10(r) of the Company Disclosure Schedule), (ii) any holder of more than 3% of the Company Stock or any of its Affiliates, or (iii) any "associate" or member of the "immediate family" (as such terms are respectively defined in Rule 12b-2 and Rule 16a-1 of the 1934 Act) of any of Person referenced in (i) or (ii) above.

Section 4.11. *No Undisclosed Material Liabilities.* There are no liabilities or obligations of the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances that would reasonably be expected to result in such a liability or obligation, other than:

(a) liabilities or obligations reflected in the Company Balance Sheet or in the notes thereto or disclosed in the Company AIM Documents published prior to the date hereof, and

(b) liabilities or obligations incurred in the ordinary course of business consistent with past practices since the Company Balance Sheet Date that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

Section 4.12. *Compliance with Laws and Court Orders.* The Company and each of its Subsidiaries is and, since December 31, 2003, has been, in compliance with all Applicable Laws, and to the Knowledge of the Company is not under investigation with respect to and has not been threatened to be charged with or given notice of any violation of, any Applicable Law, except for failures to comply or violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company and each of its Subsidiaries is and has been, since December 31, 2003, in compliance with the terms of all material permits, licenses, variances, exemptions, consents, certificates, orders and approvals from Governmental Entities required to carry on their business as currently conducted, except for failures to comply that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

Section 4.13. *Material Contracts.* (a) Except as set forth in Section 4.13 of the Company Disclosure Schedule, neither the Company nor any Subsidiary is a party to or bound by:

(i) any lease of real or personal property providing for annual rentals of $250,000 or more;

(ii) any agreement, contract or commitment (other than any agreement or other documentation relating to any loan facility or any receivable or insurance purchase transaction entered into in the ordinary course of business) that would reasonably be expected to require the payment of money in excess of $250,000 per annum or in excess of $1,000,000 in the aggregate from and after the Effective Time;

(iii) any partnership, joint venture or other similar agreement or arrangement;

(iv) any agreement relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise);

(v) any agreement relating to indebtedness for borrowed money or other financing arrangements for the Company or any of its Subsidiaries or the deferred purchase price of property (in either case, whether incurred, assumed, guaranteed or secured by any asset), other than as excepted out under Section 4.13(a)(ii) above;

(vi) any option (other than the Option), license, franchise or similar agreement;

(vii) any agreement that in any material respect limits the ability of the Company or any of its Subsidiaries to compete in any line of business or with any Person or in any area or which would so limit in any

material respect the ability of the Company or any Subsidiary to so compete after the Effective Time; or

(viii) other than documentation entered into in connection with the admission of the Company Stock to trading on AIM and the placing of shares of Company Stock as set forth in the AIM Admission Document and listed in Section 4.13(a) of the Company Disclosure Schedule, any agreement with (A) any officer or director of the Company or any of its Subsidiary (other than the Option and contracts or agreements relating to employment and letters of appointment relating to directors and listed in Section 4.13(a) of the Company Disclosure Schedule), (B) any Person that directly or indirectly owns, controls or holds the power to vote, at least 3% of the Company Stock, or (C) any "associate" or member of the "immediate family" (as such terms are respectively defined in Rule 12b-2 and Rule 16a-1 of the 1934 Act) of any Person described in clause (A) or (B).

(b) Section 4.13 of the Company Disclosure Schedule lists each Company Material Contract. Each Company Material Contract is a valid, binding and enforceable obligation of the Company or each Subsidiary party thereto, as the case may be, and is in full force and effect, except (i) where the failure to be valid, binding and enforceable and in full force and effect would not reasonably be expected to have a Material Adverse Effect on the Company and (ii) subject to the effect of (A) any applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally and (B) general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law). None of the Company, any of its Subsidiaries or, to the Knowledge of the Company, any other party thereto, is in default or violation of any term, condition or provision of any Company Material Contract, and to the Knowledge of the Company, no event or circumstance has occurred that, with or without notice or lapse of time or both, would constitute an event of default thereunder, except for any defaults or violations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(c) Neither the Company nor any of its Subsidiaries is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or is a recipient of any supervisory letter from or has adopted any board resolution at the request of any Governmental Entity, that would reasonably be expected to restrict the conduct of its business by the Company or any of its Subsidiaries, or that requires, or would reasonably be expected to require, adverse actions by the Company or any of its Subsidiaries, except for such restrictions or requirements that are generally applicable to all Persons engaged in the same or substantially the same type of business as the Company or any of its Subsidiaries.

Section 4.14. *Litigation.* There is no action, suit, investigation or proceeding pending against, or, to the Knowledge of the Company, threatened in writing against, the Company, any of its Subsidiaries, any present or former officer, director or employee of the Company or any of its Subsidiaries in such capacity before any court or arbitrator or before or by any Governmental Authority, that, if determined or resolved adversely in accordance with the other party's demands, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company or that in any manner challenges or seeks to prevent, enjoin, alter or materially delay the consummation of the Merger or any of the other transactions contemplated hereby.

Section 4.15. *Finders' Fees.* Except for Collins Stewart Limited, a copy of whose engagement agreement has been provided to Buyer, there is no investment banker, broker, finder, financial adviser or other intermediary that has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries who is entitled to any commission or similar fee from the Company or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

Section 4.16. *Opinion of Financial Advisor.* The Special Committee has received a written opinion of Collins Stewart Limited, financial advisor to the Special Committee, to the effect that, based on the assumptions, qualifications and limitations contained therein, as of the date of this Agreement, the Merger Consideration (together with the cash dividend amount referred to in Section 6.01(b) hereof) is fair to the Company's shareholders (other than the Participating Shareholders) from a financial point of view.

Section 4.17. *Taxes.* (a) *Filing and Payment.* Except as set forth on Section 4.17(a) of the Company Disclosure Schedule, (i) all material Tax returns, statements, reports and forms (including estimated tax or information returns and reports) required to be filed with any Governmental Authority (a "**Taxing Authority**") with respect to any Pre-Closing Tax Period by or on behalf of the Company or any of its Subsidiaries (collectively, the "**Returns**") have, to the extent required to be filed on or before the date hereof, been filed when due in accordance with Applicable Law; (ii) as of the time of filing, the Returns were true and complete in all material respects; and (iii) all Taxes shown as due and payable on the Returns that have been filed have been timely paid, or withheld and remitted to the appropriate Taxing Authority.

(b) *Financial Records.* Except as set forth on Section 4.17(b) of the Company Disclosure Schedule, the charges, accruals and reserves for Taxes with respect to the Company and its Subsidiaries reflected on the books of the Company and its Subsidiaries (excluding any provision for deferred income taxes reflecting either differences between the treatment of items for accounting and income tax purposes or carryforwards) are adequate to cover material Tax liabilities accruing through the end of the last period for which the Company and its Subsidiaries ordinarily record items on their respective books.

(c) *Procedure and Compliance.* Except as set forth on Section 4.17(c) of the Company Disclosure Schedule, (i) the income and franchise Returns of the Company and its Subsidiaries through the Tax year ended December 31, 2004 have been examined and closed or are Returns with respect to which the applicable period for assessment under Applicable Law, after giving effect to extensions or waivers, has expired; and (ii) there is no claim, audit, action, suit, proceeding or investigation now pending or threatened against or with respect to the Company or its Subsidiaries in respect of any Tax or Tax Asset.

(d) *Taxing Jurisdictions.* Section 4.17(d) of the Company Disclosure Schedule contains a list of all jurisdictions (whether foreign or domestic) in which the Company or any of its Subsidiaries currently files Returns.

(e) *Tax Sharing, Consolidation and Similar Arrangements.* Except as set forth on Section 4.17(e) of the Company Disclosure Schedule, (i) neither the Company nor any of its Subsidiaries has been a member of an affiliated, consolidated, combined or unitary group other than one of which the Company was the common parent; and (ii) neither the Company nor any of its Subsidiaries has entered into any agreement or arrangement with any taxing authority with regard to the Tax liability of the Company or any Subsidiary affecting any Tax period for which the applicable statute of limitations, after giving effect to extensions or waivers, has not expired.

(f) *Certain Elections, Agreements and Arrangements.* Except as set forth on Section 4.17(f) of the Company Disclosure Schedule, (i) no election has been made under Treasury Regulations Section 1.7701-3 or any similar provision of Tax law to treat the Company or any of its Subsidiaries as an association, corporation or partnership; (ii) neither the Company nor any of its Subsidiaries is disregarded as an entity for Tax purposes; and (iii) neither the Company nor any of its Subsidiaries has ever been a distributing corporation or a controlled corporation in a transaction intended to be governed by Section 355 of the Code.

(g) *Property and Leases.* Except as set forth on Section 4.17(g) of the Company Disclosure Schedule, (i) neither the Company nor any of its Subsidiaries owns an interest in real property in any jurisdiction in which a Tax is imposed, or the value of the interest is reassessed, on the transfer of an interest in real property and which treats the transfer of an interest in an entity that owns an interest in real property as a transfer of the interest in real property; and (ii) neither the Company nor any of its Subsidiaries is a party to any understanding or arrangement described in Section 6662(d)(2)(C)(ii) of the Code, or in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4.

(h) *Post-Closing Attributes.* Except as set forth on Section 4.17(h) of the Company Disclosure Schedule, (i) no Tax Asset of the Company or any of its Subsidiaries is currently subject to a limitation under Section 197(f)(9), Section 382 or Section 383 of the Code; and (ii) neither the Company nor any of its

Subsidiaries will be required to include for a Post-Closing Tax Period taxable income attributable to income economically realized in a Pre-Closing Tax Period.

(i) *Withholding.* The Company and its Subsidiaries have withheld and paid all Taxes required to be withheld and paid with respect to amounts paid or owing to any employee, creditor, independent contractor or other third party.

Section 4.18. *Personnel Matters.* (a) Schedule 4.18(a) contains a correct and complete list identifying each material Employee Plan. Copies of such Employee Plans (and, if applicable, related trust or funding agreements or insurance policies) and all amendments thereto and written interpretations made by the Company or an ERISA Affiliate thereof have been furnished to Buyer together with the most recent annual report (Form 5500 including, if applicable, Schedule B thereto) and tax return (Form 990) prepared in connection with any such plan or trust.

(b) Neither the Company nor any ERISA Affiliate nor any predecessor thereof sponsors, maintains or contributes to, or has in the past sponsored, maintained or contributed to, any Employee Plan subject to Title IV of ERISA.

(c) Neither the Company nor any ERISA Affiliate nor any predecessor thereof contributes to, or has in the past contributed to, any multiemployer plan, as defined in Section 3(37) of ERISA.

(d) Each Employee Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter (or if a prototype plan, is subject to a favorable opinion letter that may be relied on), or has pending or has time remaining in which to file, an application for such determination from the Internal Revenue Service, and the Company has no Knowledge of any reason why any such determination or opinion letter should be revoked or not be reissued. The Company has made available to Buyer copies of the most recent Internal Revenue Service determination letters or opinion letters with respect to each such Employee Plan. Each Employee Plan has been maintained in material compliance with its terms and with the requirements prescribed by Applicable Law. No material events have occurred with respect to any Employee Plan that could result in payment or assessment by or against the Company of any material excise taxes under Sections 4972, 4975, 4976, 4977, 4979, 4980B, 4980D, 4980E or 5000 of the Code.

(e) Neither the Company nor any of its Subsidiaries has any liability in respect of post-retirement health, medical or life insurance benefits for, former or current employees of the Company or its Subsidiaries except as required to avoid excise tax under Section 4980B of the Code

(f) There has been no amendment to, written interpretation or announcement (whether or not written) by the Company or any of its Affiliates relating to, or change in employee participation or coverage under, an Employee

Plan which would increase materially the expense of maintaining such Employee Plan above the level of the expense incurred in respect thereof for the fiscal year ended December 31, 2005.

(g) Neither the Company nor any of its Subsidiaries is a party to or subject to, or is currently negotiating in connection with entering into, any collective bargaining agreement or other contract or understanding with a labor union or organization.

(h) The consummation of the transactions contemplated by this Agreement will not (either alone or together with any other event) entitle any employee, director or independent contractor of the Company or any of its Subsidiaries to severance pay or accelerate the time of payment or vesting or trigger any payment of funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or trigger any other obligation pursuant to, any Employee Plan, except as set forth in Section 4.18(h) of the Company Disclosure Schedule which sets forth the maximum aggregate dollar amount payable with respect to each such individual as a result of the transactions contemplated by this Agreement (either alone or together with any other event). There is no contract, plan or arrangement (written or otherwise) covering any employee or former employee of the Company or any of its Subsidiaries that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to the terms of Section 280G of the Code. There has been no amendment to, written interpretation or announcement (whether or not written) by the Company or any of its Affiliates relating to, or change in employee participation or coverage under, an Employee Plan which would increase materially the expense of maintaining such Employee Plan above the level of the expense incurred in respect thereof for the fiscal year ended December 31, 2005.

(i) All contributions and payments accrued under each Employee Plan, determined in accordance with prior funding and accrual practices, as adjusted to include proportional accruals for the period ending as of the date hereof, have been discharged and paid on or prior to the date hereof except to the extent reflected as a liability on the Company Balance Sheet or except as may be paid by an insurer under an insurance contract.

(j) There is no action, suit, investigation, audit or proceeding pending against or involving or, to the Knowledge of the Company, threatened against or involving, any Employee Plan before any Governmental Authority.

(k) Except for the Option, neither the Company nor any of its Subsidiaries maintains or contributes to, or has any liability with respect to, any Employee Plan that covers employees, independent contractors or directors residing outside the United States. All current employees and independent contractors of the Company and its Subsidiaries who are individuals are employed or perform services in the United States.

(l) The Company and its Subsidiaries have complied in all material respects with all material Applicable Laws relating to labor and employment, including those relating to wages, hours, overtime, collective bargaining, unemployment compensation, worker's compensation, equal employment opportunity, age and disability discrimination, immigration control, employee classification, employee information privacy and security, payment and withholding of taxes, non-discrimination requirements applicable to qualified employee benefit plans and continuation coverage with respect to group health plans. In the past three years, neither the Company nor any of its Subsidiaries has effectuated (i) a "plant closing" (as defined in the Worker Adjustment and Retraining Notification Act ("**WARN Act**")) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company or any of its Subsidiaries; (ii) a "mass layoff" (as defined in the WARN Act); or (iii) such other transaction, layoff, reduction in force or employment terminations sufficient in number to trigger application of any similar Applicable Law.

Section 4.19. *Environmental Matters.* (a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company:

(i) no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed, and no investigation, action, claim, suit, proceeding or review (or any basis therefor) is pending or, to the Knowledge of the Company, is threatened by any Governmental Authority or other Person relating to the Company or any Subsidiary and relating to or arising out of any Environmental Law;

(ii) the Company and its Subsidiaries are and have been in compliance with all Environmental Laws and all Environmental Permits; and

(iii) there are no liabilities or obligations of the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise arising under or relating to any Environmental Law or any Hazardous Substance and there is no condition, situation or set of circumstances of which the Company has Knowledge that would reasonably be expected to result in or be the basis for any such liability or obligation.

(b) There has been no environmental investigation, study, audit, test, review or other analysis conducted of which the Company has Knowledge in relation to the current or prior business of the Company or any of its Subsidiaries or any property or facility now or previously owned or leased by the Company or any of its Subsidiaries that has not been delivered to Buyer at least five Business Days prior to the date hereof.

(c) The consummation of the transactions contemplated hereby require no filings to be made or actions to be taken pursuant to the New Jersey Industrial Site Recovery Act or the "Connecticut Property Transfer Law" (Sections 22a-134 through 22-134e of the Connecticut General Statutes).

(d) Schedule 4.19 sets forth all Environmental Permits.

(e) For purposes of this Section 4.19, the terms **"Company"** and **"Subsidiaries"** shall include any entity that is, in whole or in part, a predecessor of the Company or any of its Subsidiaries. Except as set forth in Sections 4.03, 4.04, 4.07, 4.09, 4.10 and 4.13, the representations in this Section 4.19 are the Company's sole and exclusive representations to Buyer and Merger Subsidiary relating to environmental matters.

Section 4.20. *Antitakeover Statutes.* Section 607.0901 (Affiliated Transactions) and Section 607.0902 (Control-Share Acquisitions) of the FBCA are not applicable to (or have been rendered inapplicable with respect to) the Merger, this Agreement, the Contribution and Voting Agreement and the transactions contemplated hereby and thereby. No other "control share acquisition," "fair price," "moratorium" or other antitakeover laws enacted under any Applicable Law apply to this Agreement, the Contribution and Voting Agreement, or any of the transactions contemplated hereby and thereby.

Section 4.21. *Title to Properties; Leases; Sufficiency of Assets.* (a) Each of the Company and its Subsidiaries has fee simple good and marketable title or a valid and enforceable leasehold, as applicable, free and clear of all Liens, to all of the properties and assets, real and personal, tangible or intangible, which are reflected on the Company Balance Sheet or acquired after such date, except for (i) Permitted Exceptions and (ii) property and assets disposed of in the ordinary course of business consistent with past practice. Neither the Company nor any of its Subsidiaries owns any real property. Section 4.21(a) of the Company Disclosure Schedule lists all real property leased by the Company or any of its Subsidiaries. Each such lease of real property is valid and enforceable in accordance with its terms, except as such enforceability is subject to the effect of (i) any applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally and (ii) general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law).

(b) None of the Company or any of its Subsidiaries has received written notice of default from a landlord under any lease under which the Company or its Subsidiary, as applicable, is the lessee of real or personal property, except for such defaults that have been cured or that would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect for the Company.

(c) The property and assets owned or leased by the Company and its Subsidiaries, or which they otherwise have the right to use, constitute all of the property and assets used or held for use in connection with the businesses of the Company and its Subsidiaries and are adequate to conduct such businesses as currently conducted.

Section 4.22. *Intellectual Property.* Section 4.22 of the Company Disclosure Schedule contains a true and complete list of all material Intellectual Property registrations and applications for registration of any Intellectual Property owned by the Company or any of its Subsidiaries. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Company: (i) the Company and each of its Subsidiaries owns, is licensed to use (in each case, free and clear of any Liens, other than Permitted Exceptions) or possesses the right to use all Intellectual Property used in or necessary for the conduct of its business as currently conducted; (ii) neither Company nor any of its Subsidiaries has infringed, misappropriated or otherwise violated the Intellectual Property rights of any Person; (iii) to the Knowledge of the Company, no Person has challenged, infringed, misappropriated or otherwise violated any Intellectual Property right owned by and/or licensed to the Company or any of its Subsidiaries; (iv) neither the Company nor any of its Subsidiaries has received any written notice of any pending claim, action, suit, order or proceeding with respect to any Intellectual Property used by the Company or any of its Subsidiaries or alleging that any services provided, processes used or products manufactured, used, imported, offered for sale or sold by the Company or any of its Subsidiaries infringes, misappropriates or otherwise violates any Intellectual Property rights of any Person; (v) the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not cause the forfeiture or termination or give rise to a right of forfeiture or termination of any Intellectual Property right of the Company or any of its Subsidiaries; and (vi) the Company and its Subsidiaries have at all times complied with Applicable Laws relating to privacy, data protection and the collection and use of personal information and user information gathered or accessed in the course of the operations of the Company or any of its Subsidiaries and all rules, policies and procedures established by the Company or any of its Subsidiaries from time to time with respect to the foregoing. For purposes of this Agreement, "**Intellectual Property**" shall mean trademarks, service marks, brand names, certification marks, trade dress, domain names and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application; inventions and discoveries, whether patentable or not, in any jurisdiction; patents, applications for patents (including, without limitation, divisions, continuations and continuations in part), and any renewals, extensions or reissues thereof, in any jurisdiction; trade secrets and confidential information and rights in any jurisdiction to limit the use or disclosure thereof by any person; writings and other works of authorship, whether copyrightable or not, in any

jurisdiction, and any and all copyright rights, whether registered or not; and registrations or applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof; moral rights, database rights, design rights, industrial property rights, publicity rights and privacy rights; and any similar intellectual property or proprietary rights.

Section 4.23. *Related Party Transactions.* Other than documentation entered into in connection with the admission of the Company Stock to trading on AIM and the placing of shares of Company Stock as set forth in the AIM Admission Document and listed in Section 4.23 of the Company Disclosure Schedule, there are no contracts, agreements, leases, licenses, commitments or other instruments (other than the Option and contracts or agreements relating to employment and letters of appointment relating to directors and listed in Section 4.23 of the Company Disclosure Schedule) between the Company or any of its Subsidiaries, on the one hand, and any of their respective officers, directors, employees, any holder of more than 3% of Company Stock or Affiliates, on the other hand. For purposes of this Section 4.23, the Affiliates of the Company or any of its Subsidiaries shall not include the Company or any of its Subsidiaries.

Section 4.24. *Licenses And Permits.* Section 4.24 of the Company Disclosure Schedule sets forth each material license, franchise, permit, certificate, approval or other similar authorization required by the Company or its Subsidiaries to carry on their business as now conducted, or affecting or relating in any way to, the assets or business of the Company and its Subsidiaries (the "**Permits**"), together with the name of the Governmental Authority issuing such Permit. Except as set forth on Section 4.24 of the Company Disclosure Schedule, (i) the Permits are valid and in full force and effect, (ii) neither the Company nor any of its Subsidiaries is in default under, and no condition exists that with notice or lapse of time or both would constitute a default under, the Permits and (iii) none of the Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

Section 4.25. *Representations Complete.* Except for the representations and warranties contained in this Article 4, neither the Company nor any of its Subsidiaries makes any express or implied representation or warranty on behalf of the Company or any or its Subsidiaries to Buyer or Merger Subsidiary.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth in the Buyer Disclosure Schedule, Buyer and Merger Subsidiary, jointly and severally, represent and warrant to the Company as set forth in this Article 5. Each item disclosed in the Buyer Disclosure Schedule shall constitute an exception to the representations and warranties to which it makes reference and shall be deemed to be disclosed with respect to the representation

and warranty to which it relates and to any other representation and warranty herein given, without the necessity of repetitive disclosure, so long as such item is fairly described with reasonable particularity and detail and such description provides a cross-reference or other reasonable indication that the item applies to such other representation and warranty.

Section 5.01. *Corporate Existence and Power.* Each of Buyer and Merger Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which would not have, individually or in the aggregate, a Material Adverse Effect on Buyer or Merger Subsidiary or materially impair the ability of Buyer or Merger Subsidiary to consummate the Merger and the other transactions contemplated by this Agreement. Buyer has heretofore delivered to the Company true and complete copies of the certificate of incorporation and bylaws of Buyer and the articles of incorporation and bylaws of Merger Subsidiary as currently in effect. Since the date of its incorporation, Merger Subsidiary has not engaged in any activities other than in connection with or as contemplated by this Agreement.

Section 5.02. *Corporate Authorization.* The execution, delivery and performance by Buyer and Merger Subsidiary of this Agreement and the consummation by Buyer and Merger Subsidiary of the transactions contemplated hereby are within the corporate powers of Buyer and Merger Subsidiary and have been duly authorized by all necessary corporate action. This Agreement constitutes a valid and binding agreement of each of Buyer and Merger Subsidiary, enforceable against Buyer and Merger Subsidiary in accordance with its terms, except as such enforceability is subject to the effect of (i) any applicable bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally and (ii) general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law).

Section 5.03. *Governmental Authorization.* The execution, delivery and performance by Buyer and Merger Subsidiary of this Agreement, the Contribution and Voting Agreement and the consummation by Buyer and Merger Subsidiary of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with, any Governmental Authority, other than (i) the filing of the Articles of Merger with respect to the Merger with the Secretary of State of the State of Florida and appropriate documents with the relevant authorities of other states in which either Buyer or Merger Subsidiary is qualified to do business, (ii) compliance with any applicable requirements of the HSR Act, (iii) compliance with any applicable requirements of the 1933 Act, the 1934 Act and the AIM Rules, (iv) receipt of approval from the Florida Office of Insurance Regulation (and subsequent notice or similar filings with other state insurance

regulatory authorities in states in which Life Settlement Corporation is licensed), and (v) any actions or filings the absence of which would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on Buyer or materially to impair the ability of Buyer or Merger Subsidiary to consummate the Merger and the other transactions contemplated by this Agreement and the Contribution and Voting Agreement.

Section 5.04. *Non-contravention.* The execution, delivery and performance by Buyer and Merger Subsidiary of this Agreement and the Contribution and Voting Agreement and the consummation by Buyer and Merger Subsidiary of the transactions contemplated hereby and thereby do not and will not (i) contravene, conflict with, or result in any violation or breach of any provision of the certificate of incorporation or bylaws of Buyer or the articles of incorporation or bylaws of Merger Subsidiary, (ii) assuming compliance with the matters referred to in Section 5.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, (iii) assuming compliance with the matters referred to in Section 5.03, require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would become a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Buyer or any of its Subsidiaries is entitled under, any provision of any agreement or other instrument binding upon Buyer or any of its Subsidiaries or any license, franchise, permit, certificate, approval or other similar authorization affecting, or relating in any way to, the assets or business of the Buyer and its Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of the Buyer or any of its Subsidiaries, except for such contraventions, conflicts and violations referred to in clause (ii) and for such failures to obtain any such consent or other action, defaults, terminations, cancellations, accelerations, changes, losses or Liens referred to in clauses (iii) and (iv) that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on Buyer or materially to impair the ability of Buyer and Merger Subsidiary to consummate the transactions contemplated by this Agreement or the Contribution and Voting Agreement.

Section 5.05. *Litigation.* There is no action, suit, investigation or proceeding pending against, or, to the Knowledge of Buyer, threatened in writing against or affecting, Buyer, any of its Subsidiaries, any present or former officer, director or employee of Buyer or any of its Subsidiaries before any court or arbitrator or before any Governmental Authority that, if determined or resolved adversely in accordance with the other party's demands, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Buyer or that in any manner challenges or seeks to prevent, enjoin, alter or materially delay the consummation of the Merger or any of the other transactions contemplated hereby.

Section 5.06. *Financing.* Buyer has delivered to the Company a copy of an executed letter dated the date hereof from Bear Stearns & Co. Inc., pursuant to

which Bear Stearns & Co. Inc. has agreed to provide the debt financing ("**Financing**") described therein to Merger Subsidiary upon the terms and conditions set forth therein (the "**Commitment Letter**"). The aggregate proceeds of the Financing and of the equity financing to be provided pursuant to the Contribution and Voting Agreement, together with the cash held by the Company immediately prior to the Effective Time, shall be in an amount sufficient to consummate the transactions contemplated hereby, including payment of the Merger Consideration and related fees and expenses (such amounts, the "**Required Amounts**"). As of the date hereof, the Commitment Letter has not been withdrawn and Buyer does not know of any facts or circumstances that would reasonably be expected to result in any of the conditions set forth in the Commitment Letter not being satisfied.

Section 5.07. *Finders' Fees.* Except for Bear Stearns & Co. Inc. and DLJ Merchant Banking, Inc. and/or its Affiliates or designees, there is no investment banker, broker, finder, financial adviser or other intermediary that has been retained by or is authorized to act on behalf of Buyer who might be entitled to any fee or commission from Buyer, Merger Subsidiary, the Company, the Surviving Corporation or any of their Subsidiaries upon consummation of the transactions contemplated by this Agreement.

Section 5.08. *No Violation Of 1933 Act.* The execution, delivery and performance of this Agreement and the consummation of the Merger are not subject to, and do not and will not violate, the registration requirements of the 1933 Act.

Section 5.09. *Buyer's Due Diligence.* Each of Buyer and Merger Subsidiary acknowledges that, except for the matters that are expressly covered by the provisions of this Agreement, it is relying on its own investigation and analysis in entering into this Agreement and the transactions contemplated hereby. Each of Buyer and Merger Subsidiary is an informed and sophisticated participant to the transactions contemplated hereby and has undertaken such investigation, and has been provided with and has evaluated such documents and information, as it has deemed necessary in connection with the execution, delivery and performance of this Agreement and the Contribution and Voting Agreement. Each of Buyer and Merger Subsidiary acknowledges that it is consummating the transactions contemplated hereby without any representation or warranty, express or implied, by the Company or any of its Affiliates except as expressly set forth herein or the Contribution and Voting Agreement. Nothing contained in this Section 5.09 will be construed as a waiver or defense to any claims for fraud or similar causes of action.

Section 5.10. *Disclosure Documents.* None of the information supplied by or on behalf of Buyer or Merger Subsidiary for inclusion in the Company Proxy Statement (and any amendments or supplements thereto) will, at the time the Company Proxy Statement is first mailed to shareholders of the Company or at the time such shareholders vote on adoption of this Agreement and approval of

the Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE 6
COVENANTS OF THE COMPANY

The Company agrees that:

Section 6.01. *Conduct of the Company*. From the date hereof until the Effective Time, except as expressly contemplated or permitted by this Agreement or otherwise with the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed), the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the ordinary course consistent in all material respects with past practice and use its reasonable best efforts to (i) preserve intact its present business organization, (ii) maintain in effect all of its material foreign, federal, state and local licenses, permits, consents, franchises, approvals and authorizations, (iii) keep available the services of its directors, officers and key employees, and (iv) maintain satisfactory relationships with its customers, lenders, suppliers and others having material business relationships with it. Without limiting the generality of the foregoing, except as expressly contemplated or permitted by this Agreement or otherwise with the prior written consent of the Buyer (which shall not be unreasonably withheld with respect to the matters set forth in Section 6.01(i)(B)), the Company shall not, nor shall it permit any of its Subsidiaries to:

(a) amend its articles of incorporation, bylaws or other similar organizational documents (whether by merger, consolidation or otherwise);

(b) split, combine or reclassify any shares of capital stock of the Company or any of its Subsidiaries or declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of the capital stock of the Company or its Subsidiaries (except for the payment of a one-time dividend to holders of shares of Company Stock of an aggregate of $7.0 million), or redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any Company Securities or any Company Subsidiary Securities;

(c) (i) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of any Company Securities or Company Subsidiary Securities, other than the issuance of (A) any shares of the Company Stock upon the exercise of the Option in accordance with the terms of the Option on the date of this Agreement and (B) any Company Subsidiary Securities to the Company or any other Subsidiary or (ii) amend any term of any Company Security or any

Company Subsidiary Security (in each case, whether by merger, consolidation or otherwise);

(d) incur any capital expenditures or any obligations or liabilities in respect thereof, except for (i) those contemplated by the Capex Budget and (ii) any unbudgeted capital expenditures not to exceed $150,000 individually or $700,000 in the aggregate;

(e) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets, securities, properties, interests or businesses, other than (i) acquisitions of assets, securities, properties, and interests in the ordinary course of business of the Company and its Subsidiaries in a manner that is consistent with past practice, (ii) acquisitions with a purchase price (including assumed indebtedness) that does not exceed $500,000 individually or $1,000,000 in the aggregate and (iii) premium finance loans acquired from Imperial Finance & Trading, LLC or its Affiliates pursuant to an agreement substantially in the form of the Loan Origination and Sale Agreement, by and among Peachtree SLPO Finance Company, LLC, New Age Capital Reserves, LLC and Imperial Finance & Trading, LLC contained in Section 6.01(e) of the Company Disclosure Schedule, amended to expressly exclude any product which would otherwise be covered thereunder to the extent such product is originated by, financed through or sold to, Credit Suisse Group or any of its Affiliates;

(f) sell, lease or otherwise transfer, or create or incur any Lien on, any of the Company's or its Subsidiaries' assets, securities, properties, interests or businesses, other than (i) sales of assets, securities, properties and interests in the ordinary course of business consistent with past practice, (ii) sales, transfers or assignments of premium finance loans to Imperial Finance & Trading, LLC or its Affiliates pursuant to an agreement substantially in the form of the Loan Origination and Sale Agreement, by and among Peachtree SLPO Finance Company, LLC, New Age Capital Reserves, LLC and Imperial Finance & Trading, LLC contained in Section 6.01(e) of the Company Disclosure Schedule, amended to expressly exclude any product which would otherwise be covered thereunder to the extent such product is originated by, financed through or sold to, Credit Suisse Group or any of its Affiliates, and (iii) sales of assets, securities, properties, interests or businesses with a sale price (including any related assumed indebtedness) that does not exceed $250,000 individually or $500,000 in the aggregate (except that such dollar limitations shall not apply to any loan or financing facility (including any SLPO financing with Barclays Capital and any pre-settlement funding financing with DZ Bank)), or any securitization transaction entered into in the ordinary course of business and consistent with past practice;

(g) other than in connection with actions permitted by Section 6.01(e) or Section 6.01(f), or loans or advances in the ordinary course of business, consistent with past practice, make any loans, advances or capital contributions to, or

investments in, any other Person (other than wholly-owned Subsidiaries) exceeding $250,000 individually or $500,000 in the aggregate;

(h) create, incur, assume, suffer to exist or otherwise be liable with respect to any indebtedness for borrowed money or guarantees thereof other than in the ordinary course of business and in amounts and on terms in all material respects consistent with past practices;

(i) (A) enter into any agreement or arrangement that limits or otherwise restricts in any material respect the Company, any of its Subsidiaries or any of their respective Affiliates or that would, after the Effective Time, limit or restrict in any material respect the Company, any of its Subsidiaries, the Surviving Corporation, Buyer or any of their respective Affiliates, from engaging or competing in any line of business, in any location or with any Person or (B) enter into, amend or modify in any material respect or terminate any Company Material Contract or otherwise waive, release or assign any material rights, claims or benefits of the Company or any of its Subsidiaries;

(j) (i) grant or increase any severance or termination pay in excess of two weeks' salary for every year of service or part thereof to (or amend any existing arrangement with) any employee, director or independent contractor of the Company or any of its Subsidiaries, (ii) increase benefits payable under any existing severance or termination pay policies or employment agreements (except such increases as a result solely from increases in the compensation of such individuals in the ordinary course of business), (iii) enter into any employment, consultancy, retirement, deferred compensation or other similar agreement (or amend any such existing agreement) with any employee, director or independent contractor of the Company or any of its Subsidiaries, except in connection with the hiring of new employees (provided that the terms of such hirings are consistent with past practices) or to the extent required by Section 409A of the Code, (iv) establish, adopt or amend (except as required by Applicable Law) any collective bargaining, pension or other retirement benefit, deferred compensation, profit-sharing, bonus, equity or equity-based compensation or other form of incentive compensation, post-retirement insurance, compensation or benefit arrangement covering any employee, director or independent contractor of the Company or any of its Subsidiaries or (v) increase in excess of $200,000 compensation, bonus or other benefits payable to any employee, director or independent contractor of the Company or any of its Subsidiaries;

(k) change the Company's methods of accounting, except as required by concurrent changes in GAAP or the AIM Rules and agreed to by the Company's independent public accountants;

(l) settle, or offer or propose to settle, (i) any material litigation, investigation, arbitration, proceeding or other claim involving or against the Company or any of its Subsidiaries, other than in the ordinary course of business consistent with past practice, (ii) any shareholder litigation or dispute against the

Company or any of its officers or directors or (iii) any litigation, arbitration, proceeding or dispute that relates to the transactions contemplated hereby;

(m) take any action that would make any representation or warranty of the Company hereunder, or omit to take any action necessary to prevent any representation or warranty of the Company hereunder from being, inaccurate in any material respect at, or as of any time before, the Effective Time; or

(n) agree or commit to do any of the foregoing.

Section 6.02. *Shareholder Meeting; Proxy Material.* The Company shall cause a meeting of its shareholders (the "**Company Shareholder Meeting**") to be duly called and held as soon as reasonably practicable after the date hereof, for the purpose of voting on the approval and adoption of this Agreement and the Merger. Subject to Section 6.03(b), the Board of Directors shall recommend approval and adoption of this Agreement and the Merger by the Company's shareholders. In connection with such meeting, the Company shall (i) as soon as reasonably practicable after the date hereof, but in no event later than 20 Business Days after the date hereof, prepare and mail to its shareholders the Company Proxy Statement and all other proxy and supplemental materials for such meeting, (ii) use its reasonable best efforts to obtain the Company Shareholder Approval until such time, if any, as it shall make an Adverse Recommendation Change and (iii) otherwise comply with all legal requirements applicable to such meeting and the AIM Rules. Without limiting the generality of the foregoing, unless this Agreement is terminated prior to the Company Shareholder Meeting, this Agreement and the Merger shall be submitted to the Company's shareholders at the Company Shareholder Meeting whether or not (i) an Adverse Recommendation Change shall have occurred or (ii) any Acquisition Proposal shall have been publicly proposed or announced or otherwise submitted to the Company or any of its Advisors.

Section 6.03. *No Solicitation; Other Offers.* (a) Subject to Section 6.03(b) and (c) below, neither the Company nor any of its Subsidiaries shall, nor shall the Company or any of its Subsidiaries authorize or permit any of its or their officers, directors, employees, investment bankers, attorneys, accountants, consultants or other agents or advisors (collectively "**Advisors**") to, directly or indirectly, (i) solicit, initiate or take any action to facilitate or knowingly encourage the submission of any Acquisition Proposal or any indication of interest relating to any Acquisition Proposal, (ii) enter into or participate in any discussions or negotiations with or furnish any nonpublic information relating to the Company or any of its Subsidiaries or afford access to the business, properties, assets, books or records of the Company or any of its Subsidiaries to, otherwise cooperate in any way with, or knowingly assist, participate in, facilitate or encourage any effort by any Third Party that is seeking to make, or has made, an Acquisition Proposal, (iii) fail to make, withdraw or modify in a manner adverse to Buyer the Company Board Recommendation (or recommend an Acquisition Proposal or make any statement with respect to the transactions contemplated by this

Agreement or any Acquisition Proposal or take any other material action that is inconsistent with the Company Board Recommendation) (any of the foregoing in this clause (iii), an "**Adverse Recommendation Change**") or (iv) enter into any agreement in principle, letter of intent, term sheet or other similar instrument relating to an Acquisition Proposal.

(b) Notwithstanding the provisions of Section 6.03(a), the Special Committee, directly or indirectly through its Advisors, may (i) engage in negotiations or discussions with any Third Party that, without breach by the Company or any of its Advisors of any of its obligations under the Non-Solicitation Agreement dated July 24, 2006 among the Company, DLJ Merchant Banking, Inc, and the other parties thereto, the Exclusivity Agreement dated September 7, 2006 between the Company and DLJ Merchant Banking, Inc., or this Agreement, has made a Superior Proposal, (ii) thereafter furnish to such Third Party nonpublic information relating to the Company or any of its Subsidiaries pursuant to a confidentiality agreement with terms not materially less favorable to the Company than those contained in the Confidentiality Agreement dated as of June 14, 2006 between the Company and Buyer (the "**Confidentiality Agreement**"), (iii) following receipt of such Superior Proposal, make an Adverse Recommendation Change (which Adverse Recommendation Change may thereafter be ratified and adopted by the Board of Directors) and/or (iv) take any action that any court of competent jurisdiction orders the Company to take, but in each case referred to in the foregoing clauses (i) through (iv) only if the Special Committee determines in good faith that it must take such action to comply with its fiduciary duties under Applicable Law.

(c) The Special Committee shall not take any of the actions referred to in any of clauses (i) through (iv) of Section 6.03(b) above unless the Company shall have delivered to Buyer a prior written notice advising Buyer that it intends to take such action. In addition, the Company shall notify Buyer promptly (but in no event later than two business days) after receipt by the Company (or any of its Advisors) of any Acquisition Proposal or of any request for information relating to the Company or any of its Subsidiaries or for access to the business, properties, assets, books or records of the Company or any of its Subsidiaries by any Third Party that may be considering making, or has made, an Acquisition Proposal. The Company shall provide such notice in writing and shall identify the Third Party making, and the terms and conditions of, any such Acquisition Proposal or indication or request. The Company shall keep Buyer fully informed, on a current basis, of the status and details of any such Acquisition Proposal or indication or request. Further, the Special Committee shall not make an Adverse Recommendation Change unless (x) the Company, after receiving a Superior Proposal, promptly notifies Buyer in writing at least five Business Days before taking that action, of its intention to do so in response to such Superior Proposal and attaches the most current version of any proposed agreement or a detailed summary of all material terms of any such Acquisition Proposal and the identity of the offeror, and (y) Buyer does not make, within five Business Days after its

receipt of that written notification, an offer that is at least as favorable to the shareholders of the Company as such Superior Proposal.

The Company shall, and shall cause its Subsidiaries and their respective Advisors to, cease immediately and cause to be terminated any and all existing activities, discussions or negotiations, if any, with any Third Party conducted prior to the date hereof with respect to any Acquisition Proposal and to use all reasonable best efforts to cause any such Third Party (or its agents or advisors) in possession of confidential information about the Company that was furnished by or on behalf of the Company to return or destroy all such information.

"**Superior Proposal**" means any bona fide, written Acquisition Proposal for at least a majority of the outstanding shares of Company Stock on terms that the Special Committee determines in good faith by a majority vote, after considering the advice of a financial advisor of nationally recognized reputation (which term shall include Collins Stewart Limited) and taking into account all of the terms and conditions of the Acquisition Proposal, including any break-up fees, expense reimbursement provisions and conditions to consummation, are more favorable from a financial point of view to the Company's shareholders (other than the Participating Shareholders) than as provided hereunder and for which financing, if a cash transaction (whether in whole or in part), is then fully committed at least to the same extent as the Commitment Letter.

(d) Nothing in this Section 6.03 shall prohibit the Company or its Board of Directors (or any committee thereof) from at any time making any disclosures to the Company's shareholders required by Applicable Law.

Section 6.04. *Tax Matters.* Except for the proposed resolution of the inquiry disclosed in Section 4.10(p) of the Company Disclosure Schedule, from the date hereof until the Effective Time, except with the written consent of Buyer (which consent shall not be unreasonably withheld or delayed), neither the Company nor any of its Subsidiaries shall make (except in the ordinary course of business consistent with past practice) or change any Tax election, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended Returns or claims for Tax refunds, enter into any closing agreement, surrender any Tax claim, audit or assessment, surrender any right to claim a Tax refund, offset or other reduction in Tax liability, consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment or take or omit to take any other action, if any such action or omission would have the effect of increasing the Tax liability or reducing any Tax asset of the Company or any of its Subsidiaries.

Section 6.05. *Access To Information.* From the date hereof until the Effective Time and subject to Applicable Law and the Confidentiality Agreement, the Company shall (i) give to Buyer, its Representatives, any other parties to the Financing and their respective Representatives reasonable access to the offices, properties, books and records of such party, (ii) furnish to Buyer, its

Representatives, any other parties to the Financing and their respective Representatives such financial and operating data and other information as such Persons may reasonably request and (iii) instruct its employees, counsel, financial advisors, auditors and other authorized representatives to reasonably cooperate with Buyer, its Representatives, any other parties to the Financing and their respective Representatives in connection with their investigations. Any investigation pursuant to this Section shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the other party. No information or knowledge obtained in any investigation pursuant to this Section shall affect or be deemed to modify any representation or warranty made by any party hereunder.

Section 6.06. *Confidentiality.* Prior to the Effective Time and after any termination of this Agreement, the Company agrees to hold, and shall use its reasonable best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by Applicable Law (including, for the avoidance of doubt, the AIM Rules), all confidential documents and information concerning Buyer or any of its Affiliates furnished to the Company or its Affiliates in connection with the transactions contemplated by this Agreement, except to the extent that such information can be shown to have been (i) previously known on a nonconfidential basis by such party, (ii) in the public domain through no fault of such party or (iii) later lawfully acquired by such party from sources other than the other party; *provided* that the Company may disclose such information to its officers, directors, employees, accountants, counsel, consultants, advisors and agents in connection with the transactions contemplated by this Agreement so long as the Company informs such Persons of the confidential nature of such information and directs them to treat it confidentially. If this Agreement is terminated, the Company shall, and shall use its reasonable best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to the other party, upon request, all documents and other materials, and all copies thereof, that it or its Affiliates obtained, or that were obtained on their behalf, from Buyer in connection with this Agreement and that are subject to such confidence. Notwithstanding anything to the contrary in the Confidentiality Agreement, the Confidentiality Agreement shall remain in full force and effect after the date hereof until the earlier of (i) the Effective Time or (ii) June 14, 2008.

Section 6.07. *Cooperation With Financing.* Until the Effective Time, the Company agrees, and agrees to cause each of its Subsidiaries and its and their respective Representatives to reasonably cooperate with Buyer and the other parties to the Financing and their respective Representatives in connection with the arrangement of the Financing, including (a) participation in meetings, due diligence sessions, bank and rating agency presentations, road shows and otherwise participating the in marketing efforts for the Financing, (b) preparation of offering memoranda, rating agency presentations and similar materials, (c)

providing financial and other pertinent information with respect to the Company and its Subsidiaries and their respective businesses, including as required by the Commitment Letter, (d) satisfying conditions to the closing of the Financing that require action by the Company or any of its Subsidiaries and (e) providing and executing documents as may be reasonably be requested by Buyer (including definitive financing documents, pledge and security agreements, certificates (including solvency certificates) and other documents reasonably or customarily requested by similar financing sources); *provided* that the Financing may not require the payment of any commitment or similar fee by, or impose any obligation or liability on, any Participating Shareholders, the Company or any of its Subsidiaries or its other Affiliates prior to the Effective Time.

Section 6.08. *Delivery Of Certain Financial Information.* The Company shall, as promptly as practicable after the date hereof, deliver to Buyer the unaudited interim combined balance sheet of the Company and its combined affiliate as of June 30, 2006 and the related unaudited interim combined statements of operations and cash flows for the six months ended June 30, 2006 referred to in Section 4.08(a).

Section 6.09. *Additional Covenants Regarding Life Settlement Corporation.* The Company agrees that it will not, and it will not permit any of its Subsidiaries to, directly or indirectly amend, waive or otherwise modify (i) the Contribution Agreement dated as of December 21, 2004 among Funding Investors, LLC, Peachtree Settlement Funding Corporation and Peach Holdings, LLC, as amended by Amendment No. 1 to Contribution Agreement dated as of March 4, 2006 and the amendment contemplated by Exhibit E, or (ii) the Employee and Premises Lease Agreement dated July 1, 2000 between Settlement Funding, LLC and Life Settlement Corporation, as amended by the Lease Extension dated April 28, 2003, the Second Lease Extension dated December 29, 2004 and the amendment contemplated by Exhibit E. The Company further agrees that at all times prior to the Effective Time or the termination of this Agreement, it will use its reasonable best efforts to ensure that Funding Investors, LLC and Peachtree Settlement Funding Corporation perform all of their respective obligations under Sections 2 and 3 of the Contribution Agreement and, when executed, under the Supplemental Agreement, and to not permit Funding Investors, LLC or Peachtree Settlement Funding Corporation to sell, assign, exchange, pledge, encumber or otherwise transfer any of their respective interests in Life Settlement Corporation other than to the Company or any if its Subsidiaries.

ARTICLE 7
COVENANTS OF BUYER AND MERGER SUBSIDIARY

Buyer and Merger Subsidiary, jointly and severally, agree that:

Section 7.01. *Obligations of Merger Subsidiary.* Buyer and Merger Subsidiary shall take all actions necessary to perform their respective obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement.

Section 7.02. *Director and Officer Liability.* Buyer shall cause the Surviving Corporation, and the Surviving Corporation hereby agrees, to do the following:

(a) For six years after the Effective Time, the Surviving Corporation shall indemnify and hold harmless the present and former officers and directors of the Company and its Subsidiaries (each an "**Indemnified Person**") in respect of acts or omissions occurring at or prior to the Effective Time to the fullest extent permitted by the FBCA or any other Applicable Law or provided under the Company's articles of incorporation and bylaws in effect on the date hereof; *provided* that such indemnification shall be subject to any limitation imposed from time to time under Applicable Law.

(b) The Surviving Corporation shall pay the necessary premium to purchase a six-year "Extended Reporting Period" officers' and directors' liability insurance policy (the "Tail Policy"). The Tail Policy shall provide coverage for wrongful acts of each such Indemnified Person currently covered by the Company's existing officers' and directors' liability insurance policy on terms with respect to coverage and limits of insurance no less favorable than those of such policy in effect on the date hereof; *provided* that, in satisfying its obligation under this Section 7.02(b), the Surviving Corporation shall not be obligated to pay an aggregate premium in excess of 300% of the current annual premium of the Company, which amount Company has disclosed to Buyer prior to the date hereof.

(c) If Buyer, the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of Buyer or the Surviving Corporation, as the case may be, shall assume the obligations set forth in this Section 7.02.

(d) The rights of each Indemnified Person under this Section 7.02 shall be in addition to any rights such Person may have under the articles of incorporation or bylaws of the Company or any of its Subsidiaries, or under the FBCA or any other Applicable Law or under any agreement of any Indemnified Person with the Company or any of its Subsidiaries. These rights shall survive consummation of the Merger and are intended to benefit, and shall be enforceable by, each Indemnified Person.

Section 7.03. *Supplemental Agreement.* Buyer agrees that prior to the satisfaction of the conditions to the consummation of the Merger contained in Article 9 (excluding for this purpose Section 9.02(i)), it will negotiate in good faith, execute and deliver the Supplemental Agreement.

Section 7.04. *Voting Agreements.* Buyer and Merger Subsidiary agree that neither they, nor any of their respective Affiliates, shall, directly or indirectly, enter into any agreement or understanding with any Third Party (including any shareholder of the Company) relating to the voting, or withholding of voting, of shares of Company Stock with respect to the Merger (other than pursuant to the Contribution and Voting Agreement).

ARTICLE 8
COVENANTS OF BUYER AND THE COMPANY

The parties hereto agree that:

Section 8.01. *Reasonable Best Efforts.* (a) Subject to the terms and conditions of this Agreement, the Company and Buyer shall use their respective reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the transactions contemplated by this Agreement, including (i) preparing and filing as promptly as practicable with any Governmental Authority or other third party all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents and (ii) obtaining and maintaining all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any Governmental Authority or other third party that are necessary, proper or advisable to consummate the transactions contemplated by this Agreement; *provided* that the parties hereto understand and agree that the reasonable best efforts of any party hereto shall not be deemed to include (i) entering into any settlement, undertaking, consent decree, stipulation or agreement with any Governmental Authority in connection with the transactions contemplated hereby or (ii) divesting or otherwise holding separate (including by establishing a trust or otherwise), (or otherwise agreeing to do any of the foregoing) with respect to any of its or the Surviving Corporation's Subsidiaries or any of their respective Affiliates' businesses, assets or properties.

(b) In furtherance and not in limitation of the foregoing, each of Buyer and the Company shall make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby as promptly as practicable and to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and to take all other actions reasonably necessary to cause the

expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable.

Section 8.02. *Certain Filings.* (a) The Company and Buyer shall cooperate with one another (i) in connection with the preparation of the Company Proxy Statement, (ii) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts of the Company or any of its Subsidiaries, including the Company Material Contracts, in connection with the consummation of the transactions contemplated by this Agreement and (iii) in taking such actions or making any such filings, furnishing information required in connection therewith or with the Company Proxy Statement and seeking timely to obtain any such actions, consents, approvals or waivers.

(b) Buyer and its counsel shall be given a reasonable opportunity to review and comment on the Company Proxy Statement, before such document (or any amendment or supplement thereto) is filed with any Governmental Authority, and reasonable and good faith consideration shall be given to any comments made by Buyer and its counsel. Each of Buyer and the Company shall provide the other party and its counsel with (i) any comments or other communications, whether written or oral, that such party or its counsel may receive from time to time from any Governmental Authority or its staff with respect to the Company Proxy Statement promptly after receipt of those comments or other communications and (ii) a reasonable opportunity to participate in the response to those comments and to provide comments on that response (to which reasonable and good faith consideration shall be given), including by participating in any discussions or meetings with the relevant Governmental Authority.

Section 8.03. *Public Announcements.* Buyer and the Company shall consult with each other before issuing any press release, making any other public statement or scheduling any press conference or conference call with investors or analysts with respect to this Agreement or the transactions contemplated hereby and, except as may be required by Applicable Law (including the AIM Rules) or any listing agreement with or rule of any securities exchange or association, shall not issue any such press release, make any such other public statement or schedule any such press conference or conference call before such consultation. If any party shall issue any press release, make any such publication or schedule any such press conference or conference call without such consultation, it shall give the other parties hereto prior notice of its intention to do so.

Section 8.04. *Further Assurances.* At and after the Effective Time, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of the Surviving Corporation or Merger Subsidiary, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Surviving Corporation or Merger Subsidiary, any other actions and things to vest, perfect or confirm of record or otherwise in the

Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

Section 8.05. *Notices of Certain Events.* Each of the Company and Buyer shall promptly notify the other of:

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

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

(c) any actions, suits, claims, investigations or proceedings commenced or, to its Knowledge, threatened against, relating to or involving or otherwise affecting the Company or any of its Subsidiaries or Buyer and any of its Subsidiaries, as the case may be, that, if it were pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.12, 4.14, 4.17, 4.18, 4.19, 4.22 or 5.05, as the case may be, or that relate to the consummation of the transactions contemplated by this Agreement;

(d) any inaccuracy of any representation or warranty contained in this Agreement at any time during the term hereof that would reasonably be expected to cause the conditions set forth in Section 9.02(a), 9.02(d) or 9.03(a) not to be satisfied; and

(e) any failure of that party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder;

provided, however, that the delivery of any notice pursuant to this Section 8.05 shall not limit or otherwise affect the remedies available hereunder to the party receiving that notice.

ARTICLE 9
CONDITIONS TO THE MERGER

Section 9.01. *Conditions to the Obligations of Each Party.* The obligations of the Company, Buyer and Merger Subsidiary to consummate the Merger are subject to the satisfaction of the following conditions:

(a) the Company Shareholder Approval shall have been obtained in accordance with the FBCA and the AIM Rules;

(b) no Applicable Law shall prohibit the consummation of the Merger;

(c) any applicable waiting period under the HSR Act relating to the Merger shall have expired or been terminated;

(d) all actions by or in respect of, filings with, or approvals by, any Governmental Authority, required to permit the consummation of the Merger shall have been taken, made or obtained; and

(e) None of Buyer, Merger Subsidiary or the Company shall be subject to any final order, decree or injunction of a court of competent jurisdiction within the United States that (i) prevents the consummation of the Merger, or (ii) would impose any material limitation on the ability of the Surviving Corporation effectively to exercise full rights of ownership or the assets or business of the Company and its Subsidiaries following the Effective Time.

Section 9.02. *Conditions to the Obligations of Buyer and Merger Subsidiary.* The obligations of Buyer and Merger Subsidiary to consummate the Merger are subject to the satisfaction (or waiver by the Buyer) of the following further conditions:

(a) (i) the Company shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) the representations and warranties of the Company contained in this Agreement (A) that are qualified by materiality or Material Adverse Effect shall be true at and as of the Effective Time as if made at and as of such time, and (B) that are not qualified by materiality or Material Adverse Effect shall be true in all material respects at and as of the Effective Time as if made at and as of such time and (iii) Buyer shall have received a certificate signed by a duly authorized executive officer of the Company to the foregoing effect;

(b) there shall not have been instituted or be pending any action or proceeding (or any formal investigation that would be reasonably likely to result in such action or proceeding) by any Governmental Authority, or by any other Person, domestic, foreign or supranational, before any Governmental Authority, (i) challenging or seeking to make illegal, to delay materially or otherwise to restrain or prohibit the consummation of the Merger, or seeking to obtain material damages relating to the Merger, (ii) seeking to restrain or prohibit Buyer's, Merger Subsidiary's or the Surviving Corporation's (A) ability effectively to exercise full rights of ownership of the shares of common stock of the Surviving Corporation received in the Merger, including the right to vote such shares following the Effective Time on all matters properly presented to the Surviving Corporation's shareholders, or (B) ownership or operation of all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or (iii) seeking to compel Buyer or any of its Subsidiaries or Affiliates to dispose of or hold separate all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or (iv) that otherwise, would be reasonably expected to have a Material Adverse Effect on the Company or Buyer;

(c) there shall not have been any Applicable Law enacted, enforced, promulgated or issued by any Governmental Authority, other than the application of the waiting period provisions of the HSR Act to the Merger, that would be reasonably expected to result in any of the consequences referred to in clauses (i) through (iv) of paragraph (b) above;

(d) except as set forth on Section 4.10(a) of the Company Disclosure Schedule, there shall not have occurred and be continuing as of or otherwise arisen before the Effective Time any event, occurrence, disclosure or state of circumstances or facts which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on the Company; and

(e) The Company shall have obtained all consents, waivers or amendments set forth on Section 4.04 of the Disclosure Schedule, in each case in form and substance reasonably satisfactory to Buyer, and no such consent, waiver or amendment shall have been revoked.

(f) The proceeds of the Financing shall be available to Buyer on equivalent or more favorable terms and conditions as those set forth in the Commitment Letter.

(g) The last day on which shareholders of the Company may exercise rights pursuant to Section 607.1321 of the FBCA shall have occurred and the holders of Company Stock representing no more than 10% of the outstanding Company Stock shall have exercised rights pursuant to Section 607.1321 of the FBCA.

(h) The Company shall have delivered a certification in the form attached as Exhibit D hereto dated not more than 30 days prior to the Effective Time and signed by the Company to the effect that the Company is not, nor has it been within five years of the date of the certification, a "United States real property holding corporation" as defined in Section 897 of the Code.

(i) Either Funding Investors, LLC and Peachtree Settlement Funding Corporation shall have entered into an agreement having the terms and conditions set forth in Exhibit E, including the amendments, consents and pledge referenced therein, or Life Settlement Corporation shall have become a direct or indirect 100%-owned Subsidiary of the Company.

(j) Dermot Smurfit and the Company shall have entered into the Amendment to Peach Holdings, Inc. Non Qualified Option Agreement substantially in the form attached hereto as Exhibit F.

(k) The sum of (i) $14,461,164 plus (ii) the U.S. Dollar amount of "income before taxes" as reflected on the unaudited interim combined statement of operations of the Company and its combined affiliate for the six-month period

ended June 30, 2006 (delivered pursuant to Section 6.08) shall be no less than $17,500,000.

Section 9.03. *Conditions to the Obligations of the Company.* The obligations of the Company to consummate the Merger are subject to the satisfaction (or waiver by the Company) of the following further condition:

(a) (i) each of Buyer and Merger Subsidiary shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) the representations and warranties of Buyer contained in this Agreement and in any certificate or other writing delivered by Buyer pursuant hereto (A) that are qualified by materiality or Material Adverse Effect shall be true at and as of the Effective Time as if made at and as of such time, and (B) that are not qualified by materiality or Material Adverse Effect shall be true in all material respects at and as of the Effective Time as if made at and as of such time and (iii) the Company shall have received a certificate signed by a duly authorized officer of Buyer to the foregoing effect.

ARTICLE 10
TERMINATION

Section 10.01. *Termination.* This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the shareholders of the Company):

(a) by mutual written agreement of the Company and Buyer;

(b) by either the Company or Buyer, if:

(i) the Merger has not been consummated on or before February 15, 2007 (the "**End Date**"); *provided* that the right to terminate this Agreement pursuant to this Section 10.01(b)(i) shall not be available to any party whose breach of any provision of this Agreement results in the failure of the Merger to be consummated by such time;

(ii) there shall be any Applicable Law that (A) makes consummation of the Merger illegal or otherwise prohibited or (B) enjoins the Company or Buyer from consummating the Merger and such enjoinment shall have become final and nonappealable; or

(iii) at the Company Shareholder Meeting (including any adjournment or postponement thereof), the Company Shareholder Approval shall not have been obtained;

(c) by Buyer, if:

(i) an Adverse Recommendation Change shall have occurred;

(ii) the Company shall have entered into, or publicly announced its intention to enter into, a definitive agreement or an agreement in principle with respect to any Acquisition Proposal;

(iii) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement shall have occurred that would cause the condition set forth in Section 9.02(a) not to be satisfied, and such condition is incapable of being satisfied by the End Date;

(iv) the Company shall have materially breached its obligations under Sections 6.02 and 6.03; or

(v) the condition set forth in Section 9.02(k) shall be incapable of being satisfied; *provided* that Buyer's right to terminate pursuant to the terms of this Section 10.01(c)(v) shall only be exercisable within the two-week period following the delivery by the Company to Buyer of the information required to be provided by the Company pursuant to the terms of Section 6.08.

(d) by the Company, if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Buyer or Merger Subsidiary set forth in this Agreement shall have occurred that would cause the condition set forth in Section 9.03(a) not to be satisfied, and such condition is incapable of being satisfied by the End Date; or

(ii) the Company shall have entered into a definitive agreement with respect to a Superior Proposal.

The party desiring to terminate this Agreement pursuant to this Section 10.01 (other than pursuant to Section 10.01(a)) shall give notice of such termination to the other party.

Section 10.02. *Effect of Termination.* Subject to Section 11.04, if this Agreement is terminated pursuant to Section 10.01, this Agreement shall become void and of no effect without liability of any party (or any shareholder, director, officer, employee, agent, consultant or representative of such party) to the other party hereto; *provided* that if such termination shall result from the willful (i) failure of either party to take any action or omit to take any action, which results in the non-occurrence of a condition to the performance of the obligations of the other party or (ii) failure of either party to perform a covenant hereof, such party shall be fully liable for any and all liabilities and damages incurred or suffered by the other party as a result of such failure, but the aggregate amount of such

liabilities and damages for which Buyer and Merger Subsidiary together or the Company may be liable (and in the case of the Company, when added to any liability of the Company under Section 11.04(b)), shall not exceed $21,500,000 in the aggregate. The provisions of the Confidentiality Agreement, this Section 10.02 and Sections 6.06, 11.01, 11.04, 11.06, 11.07 and 11.08 shall survive any termination hereof pursuant to Section 10.01.

ARTICLE 11
MISCELLANEOUS

Section 11.01. *Notices.* All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and received) and shall be given,

if to Buyer or Merger Subsidiary, to:

Orchard Acquisition Company
c/o DLJ Merchant Banking, Inc.
Eleven Madison Avenue
New York, NY 10010
Attention: Daniel Gewirtz
Facsimile No.: (212) 325-2663
E-mail: daniel.gewirtz@credit-suisse.com

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Nancy L. Sanborn
Facsimile No.: (212) 450-3800
E-mail: sanborn@dpw.com

if to the Company, to:

Peach Holdings, Inc.
3301 Quantum Boulevard, 2nd Floor
Boynton Beach, Florida 33426-8622
Attention: James D. Terlizzi
Facsimile No: (561) 962-7213
E-mail: JTerlizzi@lumpsum.com

with a copy to:

Dermot F. Smurfit
Gloucester Lodge
12 Gloucester Gate
Regent's Park, London
NW1 4HG
Facsimile No.: 011-44-207-935-1541
E-mail: dermot@dsmurfit.com

and

Foley & Lardner LLP
321 North Clark Street
Suite 2800
Chicago, Illinois 60610-4764
Attention: Todd B. Pfister
Facsimile No.: (312) 832-4700
E-mail: tpfister@foley.com

or to such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt.

Section 11.02. *Survival of Representations and Warranties.* The representations, warranties and agreements contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time, except for the agreements set forth in Section 7.02 and any other covenant or agreement contained herein that, by its terms, contemplates performance after the Effective Time.

Section 11.03. *Amendments and Waivers.* (a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement or, in the case of a waiver, by each party against whom the waiver is to be effective; *provided* that, after the Company Shareholder Approval, no such amendment or waiver shall reduce the amount or change the kind of consideration to be received in exchange for the shares of Company Stock.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 11.04. *Expenses.* (a) Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

(b) If a Payment Event (as hereinafter defined) occurs, the Company shall pay Buyer (by wire transfer of immediately available funds), promptly following the occurrence of such Payment Event, $21,500,000.

"**Payment Event**" means a termination of this Agreement pursuant to any of the following:

(i) by Buyer pursuant to Section 10.01(c)(i) or 10.01(c)(iv) if, in the case of a termination pursuant to Section 10.01(c)(iv), such termination by Buyer relates to a breach by the Company of any of its obligations under Section 6.03;

(ii) by Buyer or the Company pursuant to Section 10.01(b)(iii), but in each case only if (A) prior to the Company Shareholder Meeting, an Acquisition Proposal shall have been made, and (B) within 12 months following the date of such termination, any Acquisition Proposal (other than an Acquisition Proposal described in clause (D) of the definition thereof that is not the same or substantially similar to an Acquisition Proposal made prior to such termination) is consummated;

(iii) by Buyer pursuant to Section 10.01(c)(ii), or by the Company pursuant to Section 10.01(d)(ii), but in each case only if within 12 months following the date of such termination, any Acquisition Proposal (other than an Acquisition Proposal described in clause (D) of the definition thereof that is not the same or substantially similar to an Acquisition Proposal made prior to such termination) is consummated;

(iv) by Buyer pursuant to Section 10.01(c)(iv) if such termination by Buyer relates to a breach by the Company of any of its obligations under Section 6.02; *provided* that such termination by Buyer may only be effected after Buyer has provided the Company with written notice of the relevant breach and if such breach remains uncured by the Company five Business Days following the giving of such notice;

(v) by Buyer or the Company pursuant to and in accordance with Section 10.01(b)(i), but only if (A) any breach by Buyer of any provision of this Agreement shall not have resulted in the failure of the Merger to be consummated by the End Date, (B) an Acquisition Proposal shall have been made prior to the End Date, and (C) within 12 months following the date of such termination, any Acquisition Proposal (other than an Acquisition Proposal described in clause (D) of the definition thereof that is not the same or substantially similar to an Acquisition Proposal made prior to such termination) is consummated.

(c) Upon any termination of this Agreement pursuant to Article 10 (other than a termination by Buyer or the Company pursuant to Section 10.01(a), Section 10.01(b)(i), 10.01(b)(ii) or 10.01(d)(i), a termination by Buyer pursuant to Section 10.01(c)(v), or a termination by Buyer pursuant to Section 10.01(c)(iii), unless the breach of representation or warranty or failure to perform a covenant or agreement giving rise to the termination right is the result of a willful act or omission by the Company), the Company shall reimburse Buyer and its Affiliates (by wire transfer of immediately available funds), no later than two Business Days after demand, for all of their reasonable out-of-pocket fees and expenses (including reasonable fees and expenses of their counsel) up to $5,000,000 (in the aggregate) actually incurred by any of them in connection with this Agreement, the Contribution and Voting Agreement, the Financing and the transactions contemplated hereby and thereby including the arrangement of obtaining the commitment to provide or obtaining any financing for such transactions.

(d) Upon any termination of this Agreement by the Company pursuant (A) to Section 10.01(b)(i) but only if (1) any breach by the Company of any provision of this Agreement shall not have resulted in the failure of the Merger to be consummated by the End Date and (2) all the conditions set forth in Article 9 shall have been fulfilled other than the condition set forth in Section 9.02(f), or (B) to Section 10.01(d)(i), but only if the breach of representation or warranty or failure to perform a covenant or agreement giving rise to the termination right is the result of a willful act or omission by Buyer or Merger Subsidiary, Buyer shall reimburse the Company and its Subsidiaries, (by wire transfer of immediately available funds), no later than two Business Days after demand, for all of their reasonable out-of-pocket fees and expenses (including reasonable fees and expenses of their counsel) up to $2,500,000 (in the aggregate) actually incurred by them in connection with this Agreement and the transactions contemplated hereby; *provided* that any payment by Buyer to the Company pursuant to clause (A) above shall constitute the Company's sole and exclusive remedy against Buyer under this Agreement, and Buyer shall have no further obligation hereunder to the Company.

(e) The Parties acknowledge that the agreements contained in this Section 11.04 are an integral part of the transactions contemplated by this Agreement and that, without these agreements, the Parties would not enter into this Agreement. Accordingly, if a Party fails promptly to pay any amount due to the other Party pursuant to this Section 11.04, it shall also pay any reasonable costs and expenses incurred by the Party to whom such payment is due in connection with a legal action to enforce this Agreement that results in a judgment against the Party required to make such payment for such amount.

Section 11.05. *Binding Effect; Benefit; Assignment.* (a) The provisions of this Agreement shall be binding upon and, except as provided in Section 7.02, shall inure to the benefit of the parties hereto and their respective successors and assigns. Except as provided in Section 7.02, no provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities

hereunder upon any Person other than the parties hereto and their respective successors and assigns.

(b) No party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, except that Buyer or Merger Subsidiary may transfer or assign its rights and obligations under this Agreement, after the Effective Time, to any Person; *provided* that such transfer or assignment shall not relieve Buyer or Merger Subsidiary of its obligations hereunder or enlarge, alter or change any obligation of any other party hereto or due to Buyer or Merger Subsidiary.

Section 11.06. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state, except that the Merger shall be governed by the laws of the State of Florida.

Section 11.07. *Jurisdiction.* The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal court located in the State of Delaware or any Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.01 shall be deemed effective service of process on such party.

Section 11.08. *WAIVER OF JURY TRIAL.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.09. *Counterparts; Effectiveness.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

Section 11.10. *Entire Agreement.* This Agreement and the Confidentiality Agreement constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 11.11. *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 11.12. *Specific Performance.* The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any federal court located in the State of Delaware or any Delaware state court, in addition to any other remedy to which they are entitled at law or in equity.

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

PEACH HOLDINGS, INC.

By: /s/ James D. Terlizzi
Name: James D. Terlizzi
Title: CEO

ORCHARD ACQUISITION COMPANY

By: /s/ Kamil Salame
Name: Kamil Salame
Title: President

ORCHARD MERGER SUBSIDIARY INC.

By: /s/ Kamil Salame
Name: Kamil Salame
Title: President