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A Professional Limited Liability Company

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* licensed in Tennessee and Georgia

June 27, 2002

Florida Department of State
PL-02, The Capitol
Tallahassee, Florida 32399-0250

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In re: Pannell Mechanical, Inc. (a Tennessee corporation); Florida Mechanical Services, Inc. (a Florida corporation); Pannell Mechanical of Jacksonville, LLC (a Florida limited liability company)

Dear Sir or Madam:

With this letter we enclose a Plan of Share Exchange and Reorganization for the above-referenced corporations and limited liability company. Our check in the amount of \$105 is enclosed in payment of your filing fees in connection with this matter.

Your assistance in processing this Plan of Share Exchange and Reorganization as expeditiously as possible, will be greatly appreciated. The effective date will be July 1, 2002.

Sincerely yours,



Patti S. Eidson
Legal Assistant

Enclosures: Plan of Share Exchange and Reorganization (7 pages)
\$105 check for filing fee

cc: Mr. Thomas A. Pannell, V

Mitzi Samples authorized
to add Articles and to
Plan of Share exchange

N:\Corporation\Pannell Mech. - FL Sec of State In 062602.wpd

EFFECTIVE DATE

7-1-02

Share Exchange

LFS
7-9-02

Rec'd.
6/28/02

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2002 JUN 28 PM 4:19

EFFECTIVE DATE

7-01-02

ARTICLES AND PLAN OF SHARE EXCHANGE AND REORGANIZATION

OF

FLORIDA MECHANICAL SERVICES, INC.,
a Florida corporation formed September 27, 1995

AND

PANNELL SERVICES, INC.,
a Tennessee corporation formed January 1, 2001

AND

PANNELL MECHANICAL, INC.,
a Tennessee corporation formed January 14, 1991

AND

PANNELL MECHANICAL OF JACKSONVILLE, LLC,
a Florida limited liability company

AND

PANNELL MECHANICAL OF NASHVILLE, LLC,
a Tennessee limited liability company

Pursuant to the provisions of Sections 48-21-101, et. Seq. of the Tennessee Business Corporation Act and Chapter 607, Title XXXVI of the Florida Statutes, the undersigned corporations and limited liability companies adopt the following Articles of Share Exchange and Reorganization for the purpose of exchanging stock for reorganization.

1. The attached plan of shared exchange and reorganization was approved by each of the undersigned corporations and limited liability companies in the manner prescribed by the Tennessee Business Corporation Act and Chapter 607, Title XXXVI of the Florida Statutes, and a copy of the plan of share exchange and reorganization has been provided to each shareholder of each corporation and limited liability company member involved at no cost.

2 As to Florida Mechanical Services, Inc., the plan was duly adopted by the unanimous written consent of all the shareholders on June 27, 2002, and executed on its behalf.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2002 JUN 28 PM 4:19

3. As to Pannell Services, Inc., the plan was duly adopted by the unanimous written consent of all the shareholders on June 27, 2002, and executed on its behalf.

4. As to Pannell Mechanical, Inc., the plan was duly adopted by the unanimous written consent of all the shareholders on June 27, 2002, and executed on its behalf. Pannell Mechanical, Inc. shall remain a corporation after the exchange and shall remain located at 4639 Dayton Boulevard, Chattanooga, Tennessee 37415.

5. As to Pannell Mechanical of Jacksonville, LLC, the plan was duly adopted by the unanimous written consent of all the members on June 27, 2002, and executed on its behalf.

6. As to Pannell Mechanical of Nashville, LLC, the plan was duly adopted by the unanimous written consent of all the members on June 27, 2002, and executed on its behalf.

7. The merger is to be effective as of July 1, 2002.

Dated June 27, 2002.

FLORIDA MECHANICAL SERVICES, INC.

By: Thomas A. Pannell
Thomas A. Pannell, V, Chairman

PANNELL SERVICES, INC.

By: Thomas A. Pannell
Thomas A. Pannell, V, Chairman

PANNELL MECHANICAL, INC.

By: Thomas A. Pannell
Thomas A. Pannell, V, Chairman

PANNELL MECHANICAL OF
JACKSONVILLE, LLC

By: Thomas A. Pannell
Thomas A. Pannell, V, Chairman

PANNELL MECHANICAL OF
NASHVILLE, LLC

By: Thomas A. Pannell
Thomas A. Pannell, V, Chairman

PLAN OF SHARE EXCHANGE AND REORGANIZATION AND PLAN OF MERGER

OF

FLORIDA MECHANICAL SERVICES, INC., a Florida corporation

AND

PANNELL SERVICES COMPANY, a Tennessee corporation

AND

PANNELL MECHANICAL, INC., a Tennessee corporation

AND

PANNELL MECHANICAL OF JACKSONVILLE, LLC, a Florida limited liability company

AND

PANNELL MECHANICAL OF NASHVILLE, LLC, a Tennessee limited liability company

This PLAN OF SHARE EXCHANGE AND REORGANIZATION is made and entered into by and among Florida Mechanical Services, Inc., a Florida corporation with its principal office located in Jacksonville, Florida (hereinafter sometimes called "Mechanical Inc."), PANNELL SERVICES COMPANY, a Tennessee corporation with its principal office located in Laverne, Tennessee (hereafter sometimes called "Services Inc."), PANNELL MECHANICAL, INC., a Tennessee corporation with its principal office located in Chattanooga, Tennessee (hereafter sometimes called "Pannell Inc."), PANNELL MECHANICAL OF JACKSONVILLE, LLC, a Florida limited liability company that is wholly-owned by Pannell Inc. (hereafter sometimes called "Pannell Jacksonville LLC"), and PANNELL MECHANICAL OF NASHVILLE, LLC, a Tennessee limited liability company that is also wholly-owned by Pannell Inc. (hereafter sometimes called "Pannell Nashville LLC"),

WITNESSETH:

THAT WHEREAS, Pannell is a Tennessee corporation with its principal office located in Chattanooga, County of Hamilton, State of Tennessee; and

WHEREAS, Pannell Jacksonville LLC is a Florida limited liability company with its principal office located in Jacksonville, County of Duval, State of Florida; and

WHEREAS, Mechanical Inc. is a Florida corporation with its principal office located in Jacksonville, County of Duval, State of Florida; and

WHEREAS, Pannell Nashville LLC is a Tennessee limited liability company with its principal office located in Laverne, County of Rutherford, State of Tennessee; and

WHEREAS, Services Inc. is a Tennessee corporation with its principal office located in Laverne, County of Rutherford, State of Tennessee; and

WHEREAS, the laws of the State of Tennessee and the State of Florida permit a share exchange between one or more corporations of those jurisdictions with a corporation of the same or different jurisdictions; and

WHEREAS, the total outstanding shares of Mechanical Inc. are owned Forty-five Percent (45%) by Thomas A. Pannell, V, Forty-five Percent (45%) by John Timothy Hensley, and Ten Percent (10%) by Richard Knauss; and

WHEREAS, the total outstanding shares of Services Inc. are owned Seventy Percent (70%) by Thomas A. Pannell, V, Thirty Percent (30%) by Greg Shane Nation; and

WHEREAS, the total outstanding shares of Pannell Inc. owned Eighty Percent (80%) by Thomas A. Pannell, V, Five Percent (5%) by Thomas A. Pannell, IV, and Fifteen Percent (15%) by Russell Graves; and

WHEREAS, Pannell Jacksonville LLC and Pannell Nashville LLC are single member limited liability companies that are wholly-owned by Pannell Inc. and treated as disregarded entities for Federal income tax purposes; and

WHEREAS, after the share exchange and reorganization and merger the outstanding shares in Mechanical Inc. and Services Inc. will be owned One Hundred Percent (100%) by Pannell Inc., and their assets will be merged into Pannell Jacksonville LLC, and Pannell Nashville LLC. The outstanding shares of Pannell Inc. will be owned Sixty-Five and Four-tenths Percent (65.4%) by Thomas A. Pannell, V, Four and One-tenth Percent (4.1%) by Thomas A. Pannell, IV, Twelve and One-half Percent (12.5%) by John Timothy Hensley, Seven and One-half Percent (7.5%) by Russell Graves, Seven and One-half Percent (7.5%) by Greg Shane Nation, and Three Percent (3%) by Edward Knauss; and

WHEREAS, Mechanical Inc., Services Inc., and Pannell Inc. and the respective shareholders and directors thereof deem it advisable and to the advantage, welfare and best interest of said corporations and their respective shareholders to exchange such shares to merge Mechanical Inc. into Pannell Jacksonville LLC and Services Inc. into Pannell Nashville LLC, pursuant to the provisions of the laws of the States of Tennessee and Florida, and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the promises and the mutual agreement of the parties thereto, being thereunto duly approved and authorized by resolutions adopted by the shareholders of Mechanical Inc., Services Inc., and Pannell Inc., in accordance with the provisions of the laws of the States of Tennessee and Florida, the Plan of Share Exchange and Reorganization and Plan of Merger and the Articles of Merger and the terms and conditions thereof and the mode of carrying out the same into effect, together with any provisions required or permitted to be set forth therein, and hereby determined and agreed upon by the shareholders and directors of Mechanical Inc., Services Inc., and Pannell Inc., as required by the laws of the States of Tennessee and Florida, as hereinafter in this Plan set forth:

1. The name of each constituent is:

Florida Mechanical Services, Inc.

and

Pannell Services Company

and

Pannell Mechanical, Inc.

and

Pannell Mechanical of Jacksonville, LLC

and

Pannell Mechanical of Nashville, LLC

2. The name of each constituent corporation and limited liability company has not been changed prior to this share exchange and reorganization.

3. The terms and conditions of the proposed share exchange and reorganization are as follows:

a. On the effective date of the share exchange and reorganization, all shares of Mechanical Inc. and Services Inc. will be exchanged for shares of Pannell Inc. Immediately following the exchange, Mechanical Inc. shall merge with Pannell Jacksonville LLC and Services Inc. shall merge with Pannell Nashville LLC. Pannell Inc. as the parent corporation shall continue its company existence under the name of Pannell Mechanical, Inc., and the separate corporate existence of the former Mechanical Inc. and Services Inc. shall cease and terminate as of the effective date of the share exchange. The manager of the surviving company and its address will be: Pannell Mechanical, Inc., 4639 Dayton Boulevard, P.O. Box 15082, Chattanooga, Tennessee 37415. All property, rights, privileges, licenses and franchises of the former Mechanical Inc. and Services Inc., as the same were held and owned prior to the share exchange and reorganization, shall vest in Pannell; Jacksonville LLC and Pannell Nashville LLC, respectively; subject, however, to all the liabilities and obligations of and the rights of creditors of the former Mechanical Inc. and Services Inc. for which Pannell Jacksonville LLC and Pannell Nashville LLC, respectively, shall be liable, in the same manner and to the extent as if they themselves had incurred such liabilities and obligations.

b. All outstanding shares of Mechanical Inc. and Services Inc. shall be exchanged for shares of Pannell Inc., and all outstanding shares in Pannell Inc. shall be issued as specified in this Plan of Share Exchange and Reorganization.

c. The Charter of Pannell Inc. shall continue to be the Charter of Pannell Inc. from and after the effective date of the share exchange and reorganization.

d. The By-Laws of Pannell Inc. shall continue to be the By-Laws of Pannell Inc. from and after the effective date of the share exchange and reorganization.


e. The officers and directors of Pannell Inc. shall continue to serve as the officers and directors of Pannell, Inc., the parent corporation, all of whom shall hold their offices until the election of their respective successors or until their term is otherwise terminated in accordance with the By-Laws of Pannell Inc. in effect from time to time. Furthermore, said officers and directors of Pannell Inc. shall, upon the effective date of the exchange, be deemed to be the sole officers and directors of Mechanical Inc. and Services Inc. and their successors Pannell Jacksonville LLC and Pannell Nashville LLC, respectively, until the election of their successors. The officers and directors of Mechanical Inc. and Services Inc. will be deemed terminated as of the effective date of the share exchange and reorganization.

f. If at any time, Pannell Inc., Pannell Jacksonville LLC, and/or Pannell Nashville LLC shall deem or be advised that any further conveyance, assignment, assurance or other act or instrument is necessary or desirable to better confirm in them the title or right to any property of Mechanical Inc. or Services Inc., the proper and former officers of Mechanical Inc. or Services Inc. will take all such actions and do all things that may be necessary to properly vest or confirm title to such property in Pannell Inc., Pannell Jacksonville LLC and/or Pannell Nashville LLC or otherwise carry out the purposes of this plan of share exchange and reorganization.

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Plan of Share Exchange and Reorganization to be effective as of July 1, 2002.


FLORIDA MECHANICAL SERVICES, INC.

By:


Thomas A. Pannell, V, Chairman


PANNELL SERVICES, INC.

By:

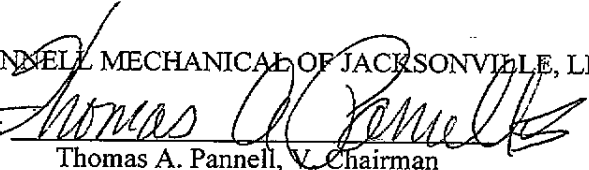

Thomas A. Pannell, V, Chairman

PANNELL MECHANICAL, INC.

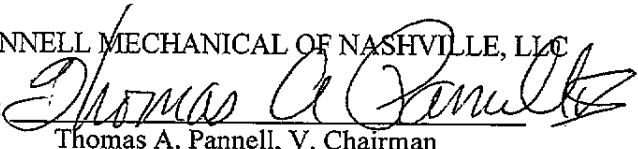
By:


Thomas A. Pannell, V, Chairman

PANNELL MECHANICAL OF JACKSONVILLE, LLC

By: 
Thomas A. Pannell, V, Chairman

PANNELL MECHANICAL OF NASHVILLE, LLC

By: 
Thomas A. Pannell, V, Chairman

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