

796.00000 - 16045
QUALITY COPY SERVICE

Nationwide Correspondence Management Service

February 13, 1996

Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

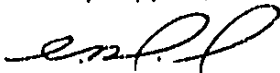
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Gentlemen:

It is my intention to establish a corporation under the name of QCSINTERACTIVE, Inc. To this effect, enclosed please find completed and executed Articles of Incorporation form, as well as a check for the required fee of \$122.50.

My business address and day time telephone number is printed on this letterhead.

Very truly yours,



Eduardo A. Lenti

EAL:mka

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 FEB 19 PM 1:13

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ARTICLES OF INCORPORATION
OF

QCSINTERACTIVE, INC.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 FEB 19 PM 1:13

THE UNDERSIGNED, has executed the following document as incorporator of the above named corporation, a corporation organized under the laws of the State of Florida, and all rights duties and obligations of the undersigned as incorporator, and those of the corporation, are to be determined in accordance with the laws of the State of Florida.

ARTICLE I

The name of this corporation shall be:

QCSINTERACTIVE, INC.

ARTICLE II

This corporation shall commence existence upon the filing of these Articles of Incorporation by the Department of State, State of Florida, and shall have perpetual existence.

ARTICLE III

The principal place of business and mailing address of this corporation shall be:

7045 N.W. 41st Street
Miami, FL 33166-6816

ARTICLE IV

The general nature of the business and objects and purposes proposed to be transacted and carried on by this corporation are to do any and all of the things herein mentioned, as fully and to the same extent as natural persons might do, viz:

- (1) Transact any and all lawful business.
- (2) Said corporation shall further have powers:

To have perpetual succession by its corporate name;

To sue and be sued, complain, and defend in its corporate name in all actions or proceedings;

To have a corporate seal, which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed, affixed, or in any other manner reproduced;

To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property or any interest therein, wherever situated;

To sell, convey, mortgage, pledge, create a security interest in, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets;

To lend money to, and use its credit to assist, its officers and employees in accordance with Florida Statute S607.141;

To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships, or individuals, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district, or municipality or of any instrumentality thereof;

To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises, and income;

To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security of the payment of funds so loaned or invested;

To conduct its business, carry on its operations, and have offices and exercise the powers granted by this act within or without this state;

To elect or appoint officers and agents of the corporation and define their duties and fix their compensation.

To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of this state, for the administration;

To make donations for the public welfare or for charitable, scientific, or educational purposes;

To transact any and all lawful business which the board of directors shall find will be in aid of governmental policy;

To pay pensions and establish pension plans, profit sharing plans, stock bonus plans, stock option plans, and other incentive plans for any or all of its directors, officers, and employees and for any or all of the directors, officers, and employees of its subsidiaries;

To be a promoter, incorporator, partner, member, associate, or manager of any corporation, partnership, joint venture, trust, or other enterprise;

To have and exercise all powers necessary of convenient to effect its purposes;

To indemnify any person who by reason of the fact that he is or was a director, officer, employee or agent of the corporation to the full extent as permitted by Florida Statue S607.014;

ARTICLE V

The aggregate number of shares which this corporation shall have authority to issue is the total sum of 5,000 shares, having an individual par value of \$1.00.

Unless otherwise sated in these articles, or in an amendment to these articles, there shall be only one (1) class of stock of this corporation.

ARTICLE VI

The name and street address of the initial Registered Agent of this corporation shall be:

Eduardo A. Leal
7045 N.W. 41st Street
Miami, FL 33166-6816

ARTICLE VII

The initial board of Directors shall consist of a total of 5 person(s) and the name and address of the person(s) who is to serve as an initial director(s) is:

Eduardo A. Leal	6901 S.W. 79th Ave., MIami, FL 33143
Myrna T. Leal	6901 S.W. 79th Ave., MIami, FL 33143
Paul Visser	421 Maya Avenue, Coral Gables, FL 33146
Andrea Smith-Clancy	275 N.W. 132nd Ave., Miami, FL 33182
Alberto Franco	600 Euclid Ave., Apt. 4, Miami Beach, FL 33139

ARTICLE VIII

The name and address of the incorporator executing these Articles of Incorporation is:

Eduardo A. Loal
7045 N.W. 41st St.
Miami, FL 33166-6816

The undersigned has executed these Articles of Incorporation this 13th day of February, 1996.



Incorporator

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 FEB 19 PM 1:13

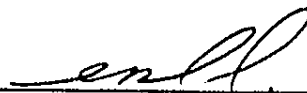
CERTIFICATE OF DESIGNATION
REGISTERED AGENT/REGISTERED OFFICE

Pursuant to the provisions of section 607.0501, Florida Statutes, the undersigned corporation, organized under the laws of the State of Florida, submits the following statement in designating the registered office/registered agent, in the state of Florida.

First that OCS INTERACTIVE, INC.
(Name of Corporation)
desiring to organize under the laws of the State of Florida
(Florida)
with its principal office, as indicated in the articles of
incorporation has named Ricardo A. Leal
(Name of Registered Agent)
located at Miami, County of Dade
(City) (County)
State of Florida, as its agent to accept service of process within
this state.

HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF
PROCESS FOR THE ABOVE STATED CORPORATION AT THE PLACE DESIGNATED IN
THIS CERTIFICATE, I HEREBY ACCEPT THE APPOINTMENT AS REGISTERED
AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO COMPLY
WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND
COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND
ACCEPT THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.

SIGNATURE



Registered Agent

PA 00000016045

Requestor's Name
315 SOUTH CALHOUN STREET
Address
Tallahassee, Florida 32301
City/State/Zip Phone #
224-7000

Office Use Only

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

1. TBC Acquisition Corp. (Corporation Name) (Document #)
2. EOLE Enterprises, Inc. (Corporation Name) (Document #) Merger
3. QCS Interactive, Inc. (Corporation Name) (Document #)
4. (Corporation Name) (Document #)

- ☐ Walk in ☐ Pick up time ☒ Certified Copy
☐ Mail out ☐ Will wait ☐ Photocopy ☐ Certificate of Status

NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/ Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input checked="" type="checkbox"/>	Merger

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/QUALIFICATION	
<input checked="" type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

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Examiner's Initials

**ARTICLES OF MERGER
FOR
TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE,
EDLE ENTERPRISE INC.
AND QCSINTERACTIVE, INC.**

FILED
97 AUG 29 PM 2:00
TALLAHASSEE, FLA

Pursuant to Sections 607.1105; and 617.1101 of the Florida Business Corporation Act (the "Act"), TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE, a Delaware corporation, EDLE ENTERPRISE INC., a Florida corporation, and QCSINTERACTIVE, INC., a Florida corporation (all the corporations jointly referred to as the "Constituent Corporations") hereby adopt the following Articles of Merger.

ARTICLE I. CONSTITUENT CORPORATIONS

The names of the Corporations proposing to merge and their state of incorporation are as follows:

1. TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE, a Delaware corporation.
2. EDLE ENTERPRISE INC., a Florida corporation.
3. QCSINTERACTIVE, INC., a Florida corporation.

ARTICLE II. STATE LAW REQUIREMENTS

The laws of the State of Florida permit the merger of the Constituent Corporations.

ARTICLE III. SURVIVING CORPORATION

The name of the surviving corporation will be TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE., a Delaware corporation.

ARTICLE IV. PLAN OF MERGER

Attached hereto as Exhibit "A" and incorporated herein by this reference is the Agreement and Plan of Reorganization (the "Plan of Merger") of the Constituent Corporations.

ARTICLE V. AUTHORIZATION FOR MERGER

The Plan of Merger was approved by: (i) the Board of Directors of F.Y.I. Incorporated, a Delaware corporation, the sole shareholder of TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE; (ii) the Board of Directors of TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE; and (iii) all the shareholders and directors of EDLE ENTERPRISE INC., and QCSINTERACTIVE, INC., as of August 29, 1997. Such approvals are sufficient to approve the Merger by each of the Constituent Corporations.

FROM

(WED) 7.16'97 18:41 ST. 18:39 NO. 4200000235 P 5

ARTICLE VII. EFFECTIVE DATE

The effective date of the merger shall be the date on which these Articles of Merger are filed with the Secretary of State of Florida.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Merger this 5th day of July, 1997.

TBC ACQUISITION CORP. DBA
QUALITY COPY SERVICE, a
Delaware corporation

By: Margaret T. Leber
Name: Margaret T. Leber
Title: Vice President

EDLE ENTERPRISES, INC.
a Florida corporation

By: _____
Name: Eduardo A. Leal
Title: President

QCSINTERACTIVE, INC.
a Florida corporation

By: _____
Name: Eduardo A. Leal
Title: President

MIA3-519505

**ARTICLES OF MERGER
FOR
TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE
EDLE ENTERPRISE INC.
AND QCSINTERACTIVE, INC.**

Pursuant to Sections 607.1105; and 617.1101 of the Florida Business Corporation Act (the "Act"), TBC ACQUISITION CORP. DBA QUALITY COPY SERVICE, a Delaware corporation, EDLE ENTERPRISE INC., a Florida corporation, and QCSINTERACTIVE, INC., a Florida corporation (all the corporations jointly referred to as the "Constituent Corporations") hereby adopt the following Articles of Merger.

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FROM

(WED) 07.16'97 16:22/ST. 16:20/NO. 3560721627 P 4

ARTICLE VII. EFFECTIVE DATE


The effective date of the merger shall be the date on which these Articles of Merger are filed with the Secretary of State of Florida.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Merger this ____ day of July, 1997.

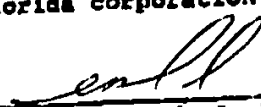
TBC ACQUISITION CORP. DBA
QUALITY COPY SERVICE, a
Delaware corporation

By: _____
Name: _____
Title: _____

EDLE ENTERPRISES, INC.
a Florida corporation

By: 
Name: Eduardo A. Leal
Title: President

QCSINTERACTIVE, INC.
a Florida corporation

By: 
Name: Eduardo A. Leal
Title: President

NIA3-519505

P96000016045

ARTICLES OF MERGER
Merger Shoot

.....
MERGING:

QCSINTERACTIVE, INC., a Florida corporation P96000016045
EDLE ENTERPRISE INC., a Florida corporation L12199

INTO

TBC ACQUISITION CORP. a Delaware corporation not qualified in Florida

File date: August 29, 1997

Corporate Specialist: Annette Hogan

AGREEMENT AND PLAN OF REORGANIZATION

dated as of the 29th day of August, 1997

by and among

F.Y.I. INCORPORATED

TBC ACQUISITION CORP.
DPA QUALITY COPY SERVICE

EDLE ENTERPRISE INC.

QCSINTERACTIVE, INC.

EDLE ENTERPRISES OF PUERTO RICO, INC.

and

the SHAREHOLDERS named herein

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II	Aggregate Consideration to be paid to the Shareholders
III	Opinion of Counsel to FYI and Newco
IV	Employment Agreements
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VIII	Lock Up Agreements

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION (this "Agreement") is made as of the 29th day of August 1997, by and among F.Y.I. INCORPORATED, a Delaware corporation ("FYI"), TBC ACQUISITION CORP dba QUALITY COPY SERVICE, a Delaware corporation ("Newco"), EDLE ENTERPRISE INC., a Florida corporation ("Edle"), and QCS INTERACTIVE, INC., a Florida corporation ("QCS") (Edle and QCS are sometimes collectively referred to hereinafter as the "Company") and the shareholders listed on Annex I hereto (each a "Shareholder" and collectively the "Shareholders"), who constitute all the shareholders of the Company, and EDLE ENTERPRISES OF PUERTO RICO, INC., a Puerto Rico corporation ("Edle Puerto Rico").

WHEREAS, Newco is a corporation duly organized and existing under the laws of the State of Delaware, having been incorporated on May 15, 1996, and is a wholly-owned subsidiary of FYI, a corporation organized and existing under the laws of the State of Delaware;

WHEREAS, the respective Boards of Directors of Newco and Edle and QCS (which together are hereinafter collectively referred to as "Constituent Corporations") deem it advisable and in the best interests of the Constituent Corporations and their respective stockholders that each of Edle and QCS merge with and into Newco pursuant to this Agreement and the applicable provisions of the laws of the State of Delaware, such transaction sometimes being herein called the "Merger";

WHEREAS, the Boards of Directors of FYI, Newco and Edle and QCS have approved and adopted this Agreement and intend the transactions with respect to the Company to qualify as partially tax-free transfers of property under Sections 368(a)(1)(A) and 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements, representations, warranties, provisions and covenants herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. THE MERGER

1.1 **Delivery and Filing of Certificate of Merger.** The Constituent Corporations will cause a Certificate of Merger with respect to the Merger (the "Certificate of Merger") to be signed, verified and delivered to the Secretary of State of the State of Delaware and, if required, a similar filing to be made with the relevant authorities in the State of Florida, on or before the Closing Date (as defined in Section 4). The Surviving Corporation (as defined in Section 1.2) shall take all action necessary to make the Merger effective under Florida law as of the time set forth in Section 1.2 below.

1.2 Effective Time of the Merger. The "Effective Time of the Merger" shall be the Closing Date as defined in Section 4. At the Effective Time of the Merger, each of Edle and QCS shall be merged with and into Newco, in accordance with the Certificate of Merger, the separate existence of each of Edle and QCS shall cease and the corporate name of Newco shall be TBC Acquisition Corp. (dba Quality Copy Service. Newco shall be the surviving party in the Merger and is hereinafter sometimes referred to as the "Surviving Corporation." The Merger will be effected in a single transaction.

1.3 Certificate of Incorporation, By-laws and Board of Directors of Surviving Corporation. At the Effective Time of the Merger:

(a) The Certificate of Incorporation of Newco then in effect shall become the Certificate of Incorporation of the Surviving Corporation; and subsequent to the Effective Time of the Merger, such Certificate of Incorporation shall be the Certificate of Incorporation of the Surviving Corporation until changed as provided by law;

(b) The By-laws of Newco then in effect shall become the By-laws of the Surviving Corporation; and subsequent to the Effective Time of the Merger, such By-laws shall be the By-laws of the Surviving Corporation until they shall thereafter be duly amended;

(c) The Board of Directors of the Surviving Corporation shall consist of the following persons:

Ed H. Bowman, Jr.
Thomas C. Walker
David Lowenstein

The Board of Directors of the Surviving Corporation shall hold office subject to the provisions of the laws of the State of Delaware and of the Certificate of Incorporation and By-laws of the Surviving Corporation; and

(d) The officers of the Surviving Corporation shall be the persons set forth on Schedule 1.3(d) hereto, each of such officers to serve, subject to the provisions of the Certificate of Incorporation and By-laws of the Surviving Corporation and the terms of any employment agreement executed by any such officer, until such officer's successor is duly elected and qualified.

1.4 Certain Information With Respect to the Capital Stock of the Company, FYI and Newco. The respective designations and numbers of outstanding shares and voting rights of each class of outstanding capital stock of the Company, FYI and Newco as of the date of this Agreement are as follows:

(a) As of the date of this Agreement, the authorized capital stock of Edle consists of one thousand (1,000) shares of Common Stock, \$1.00 par value per share, of which two hundred (200) shares are issued and outstanding;

(b) As of the date of this Agreement, the authorized capital stock of QCS consists of five thousand (5,000) shares of Common Stock, \$1.00 par value per share, of which one hundred (100) shares are issued and outstanding (together with the outstanding capital stock described in Section 1.4(a) hereof, the "Company Stock");

(c) As of June 30, 1997, the authorized capital stock of FYI consists of twenty-six million (26,000,000) shares of Common Stock, \$.01 par value per share ("FYI Stock"), of which Ten Million Seventy-Six Thousand Four Hundred Seventy-Two (10,076,472) shares are issued and outstanding, and one million (1,000,000) shares of Preferred Stock, \$.01 par value per share, of which no shares are issued and outstanding; and

(d) As of the date of this Agreement, the authorized capital stock of Newco consists of 3,000 shares of Common Stock, \$.01 par value per share ("Newco Stock"), of which ten (10) shares are issued and outstanding.

1.5 Effect of Merger. At the Effective Time of the Merger, the effect of the Merger shall be as provided in the applicable provisions of the General Corporation Law of the State of Delaware (the "Delaware GCL"). Except as herein specifically set forth, the identity, existence, purposes, powers, objects, franchises, privileges, rights and immunities of each of Edle and QCS shall continue unaffected and unimpaired by the Merger and the corporate franchises, existence and rights of each of Edle and QCS shall be merged with and into Newco, and Newco, as the Surviving Corporation, shall be fully vested therewith. At the Effective Time of the Merger, the separate existence of each of Edle and QCS shall cease and, in accordance with the terms of this Agreement, the Surviving Corporation shall possess all the rights, privileges, immunities and franchises, of a public as well as of a private nature, and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, all taxes, including those due and owing and those accrued, and all other choses in action, and all and every other interest of or belonging to or due to each of Edle and QCS and Newco shall be taken and deemed to be transferred to, and vested in, the Surviving Corporation without further act or deed; and all property, rights and privileges, powers and franchises and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of each of Edle and QCS and Newco; and the title to any real estate, or interest therein, whether by deed or otherwise, vested in each of Edle and QCS and Newco, shall not revert or be in any way impaired by reason of the Merger. The Surviving Corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of Edle and QCS and Newco and any claim existing, or action or proceeding pending, by or against each of Edle and QCS or Newco may be prosecuted as if the Merger had not taken place, or the Surviving Corporation may be substituted in their place. Neither the rights of creditors nor any liens upon the property of each of Edle and QCS or Newco shall be impaired by the Merger, and all debts, liabilities and duties of each of Edle and QCS and Newco shall attach to the Surviving Corporation, and may be enforced against such Surviving Corporation to the same extent as if said debts, liabilities and duties had been incurred or contracted by such Surviving Corporation.

2. CONVERSION OF STOCK

2.1 **Manner of Conversion.** The manner of converting the shares of (a) the Company Stock and (b) Newco Stock, issued and outstanding immediately prior to the Effective Time of the Merger, respectively, into (i) FYI Stock and (ii) shares of Common Stock, \$.01 par value per share, of the Surviving Corporation, shall be as follows:

As of the Effective Time of the Merger:

(a) All of the shares of the Company Stock issued and outstanding immediately prior to the Effective Time of the Merger, by virtue of the Merger and without any action on the part of the holder thereof, automatically shall be deemed to represent (i) that number of shares of FYI Stock determined pursuant to Section 2.2 below and (ii) the right to receive the amount of cash determined pursuant to Section 2.2 below, such shares and cash to be distributed to the Shareholders as provided in Annex II hereto;

(b) All shares of the Company Stock that are held by the Company as treasury stock shall be cancelled and retired and no shares of FYI Stock or other consideration shall be delivered or paid in exchange therefor; and

(c) Each share of Newco Stock issued and outstanding immediately prior to the Effective Time of the Merger shall, by virtue of the Merger and without any action on the part of FYI, automatically be converted into one fully paid and non-assessable share of Common Stock of the Surviving Corporation that shall constitute all of the issued and outstanding shares of Common Stock of the Surviving Corporation immediately after the Effective Time of the Merger.

All FYI Stock received by the Shareholders as of the Effective Time of the Merger shall, except as otherwise set forth in this Agreement, have the same rights as all of the other shares of outstanding FYI Stock, and shall be registered under the Securities Act of 1933, as amended (the "1933 Act"), and listed and eligible for trading on the Nasdaq National Market System. All voting rights of such FYI Stock received by the Shareholders shall be fully exercisable by the Shareholders and the Shareholders shall not be deprived nor restricted in exercising those rights. At the Effective Time of the Merger, FYI shall have no class of capital stock issued and outstanding which, as a class, shall have any rights or preferences senior to the shares of FYI Stock received by the Shareholders, including, without limitation, any rights or preferences as to dividends or as to the assets of FYI upon liquidation or dissolution or as to voting rights.

2.2 **Calculation of FYI Shares for the Company.** All the Company Stock shall be converted, as a result of the Merger, into the number of shares of FYI Stock and the amount of cash set forth in Annex II attached hereto.

2.3 **Earnings Treatment.** All earnings and cash flow of the Company for the period from August 1, 1997 (the "Effective Date") through the Effective Time of the Merger shall be for the benefit of Newco and shall be acquired by Newco at the Closing pursuant to the Merger of the Company into Newco.

3. DELIVERY OF SHARES

3.1 Delivery Procedure. At or after the Effective Time of the Merger and at the Closing:

(a) The Shareholders, as the holders of all outstanding certificates representing shares of the Company Stock, shall, upon surrender of such certificates, be entitled to receive (i) at the Closing 56,843 shares of FYI Stock, pursuant to Section 2.2 above and (ii) at March 31, 1999, an aggregate of 66,832 shares of FYI Stock, subject to the Setoff (as described in Annex II), (iii) 22,075 shares of FYI Stock to be delivered to the Escrow Agent to be held thereby in accordance with the terms of the Escrow Agreement (each as defined below in Section 7), as security and as an offset for any breach of the representations, warranties, covenants and agreements of the Company and the Shareholders, including those warranties set forth in Section 2.6 hereof, and for the Shareholders' indemnification obligations, each as set forth herein; and

(b) Until the certificates representing the Company Stock have been surrendered by the Shareholders and replaced by the FYI Stock, the certificates for the Company Stock shall, for all corporate purposes be deemed to evidence the ownership of the number of shares of FYI Stock and/or cash that such Shareholders are entitled to receive as a result of the Merger, as set forth in Section 2.2 above and Annex II hereto, notwithstanding the number of shares of the Company such certificates represent.

4. CLOSING

On the Closing Date (as defined below), the parties shall take all actions necessary (i) to effect the Merger (including, if permitted by applicable state law, the filing with the appropriate state authorities of the Certificate of Merger) and (ii) to effect the conversion and delivery of shares referred to in Section 3 hereof (hereinafter referred to as the "Closing"). The Closing shall take place at the offices of Locke Purnell Rain Harrell (A Professional Corporation), 2200 Ross Avenue, Suite 2200, Dallas, Texas 75201. The date on which the Closing shall occur shall be referred to as the "Closing Date." On the Closing Date, the Certificate of Merger shall be filed with the Delaware Secretary of State and any other appropriate state authorities, or if already filed shall become effective, and all transactions contemplated by this Agreement, including the conversion and delivery of shares, the delivery by wire transfers or by certified checks in amounts equal to the aggregate cash portion of the consideration that the Shareholders shall be entitled to receive pursuant to the Merger referred to in Section 2 hereof, shall occur and be deemed to be completed. Time is of the essence.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SHAREHOLDERS

(A) Representations and Warranties of the Company and the Shareholders

Each of the Company and the Shareholders, jointly and severally, represent and warrant that all of the following representations and warranties with respect to the Company and its business and operations set forth in this Section 5(A) are true and correct at the time of the

Closing. For purposes of this Section 5, to the extent applicable, references to the Company shall be deemed to include Edle of Puerto Rico, which shall become a wholly-owned subsidiary of the Surviving Corporation at the Closing.

5.1 **Authorization.** This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding obligation of each such party, enforceable in accordance with its terms, except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, (ii) the remedy of specific performance and injunctive relief are subject to certain equitable defenses and to the discretion of the court before which any proceedings may be brought and (iii) rights to indemnification hereunder may be limited under applicable securities laws (the "Equitable Exceptions"). The Company has full corporate power, capacity and authority to execute this Agreement and all other agreements and documents contemplated hereby.

5.2 **Organization, Existence and Good Standing of the Company.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation with all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified or licensed as a foreign corporation and in good standing in each jurisdiction in which the character or location of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so duly qualified or licensed would not have a material adverse effect on the business, operations, properties, assets or condition (financial or otherwise), results of operations or prospects of the Company (a "Material Adverse Effect"). Set forth on Schedule 5.2 is a list of the jurisdictions in which the Company is qualified or licensed to do business as a foreign corporation. Set forth in Schedule 5.2 is a listing of all names of all predecessor companies for the past five (5) years of the Company, including the names of any entities from whom the Company previously acquired material assets. In addition, set forth on Schedule 5.2 is a complete list of all the names under which the Company does or has done business. Except as disclosed in Schedule 5.2, the Company has not been a subsidiary or division of another corporation or a part of an acquisition which was later rescinded. True, complete and correct copies of the Articles of Incorporation of the Company certified by the Secretary of State of the applicable state of incorporation as of the date not more than ninety (90) days prior to the Closing and of the By-laws of the Company are all attached hereto on Schedule 5.2 (the "Charter Documents"). Except as set forth on Schedule 5.2 the minute books of the Company, as heretofore made available to FYI, are correct and complete in all material respects.

5.3 **Capital Stock of the Company.**

(a) The Company's authorized capital stock is as set forth in Sections 1.4(a) and 1.4(b). All of the Company Stock has been validly issued and is fully paid and nonassessable and no holder thereof is entitled to any preemptive rights (except any statutory preemptive rights, which the Shareholders hereby waive). There are no outstanding conversion or exchange rights, subscriptions, options, warrants or other arrangements or commitments obligating the Company to issue any shares of capital stock or other securities or to purchase, redeem or otherwise acquire any shares of capital stock

or other securities, or to pay any dividend or make any distribution in respect thereof, except as set forth on Schedule 5.3.

(b) The Shareholders (i) own of record and beneficially (subject to the community property interest of any Shareholder's spouse) and have good and marketable title to all of the issued and outstanding shares of the Company Stock, free and clear of any and all liens, mortgages, security interests, encumbrances, pledges, charges, adverse claims, options, rights or restrictions of any character whatsoever other than standard state and federal securities law private offering legends and restrictions (collectively, "Liens"), and (ii) have the right to vote the Company Stock on any matters as to which any shares of the Company Common Stock are entitled to be voted under the laws of the state of incorporation of the Company and the Company's Articles of Incorporation and By-laws, free of any right of any other person.

5.4 Subsidiaries and Affiliated Entities. Except with respect to Edle Puerto Rico, which is a wholly-owned subsidiary of Edle, the Company does not presently own, of record or beneficially, or control directly or indirectly, any capital stock, securities convertible into capital stock or any other equity interest in, or is otherwise affiliated with, any corporation, association or business entity nor is the Company, directly or indirectly, a participant in any joint venture, partnership or other non-wholly owned entity. Quality Copy Services, Inc. has conveyed all of its assets (consisting of the assets set forth on Schedule 5.4 hereto) to Edle immediately prior to the Closing.

5.5 Financial Statements.

(a) The Company has previously furnished to FYI and Newco the reviewed unaudited balance sheets of the Company as of December 31, 1996, and the related statements of operations, shareholders' equity and cash flows for the three (3) fiscal years then ended, as compiled by E.T. Management for Eduardo Torre, together with the Company's unaudited balance sheets, management's statements of operations and shareholders' equity for the six-month period ended June 30, 1997 and for the one-month period ended July 31, 1997 (collectively, the "Financial Statements"). The Financial Statements present fairly the financial position and results of operations of the Company as of the indicated dates and for the indicated periods and have been prepared in accordance with generally accepted accounting principles consistently applied ("GAAP") except for the exceptions set forth on Schedule 5.5(a) hereto. However, any such exception shall not constitute an accrual for purposes of Section 10 hereof. The Company has previously permitted FYI and Newco full access to papers pertaining to the Financial Statements, including those work papers in the possession of or prepared by the Company's bookkeepers.

(b) Except to the extent (and not in excess of the amounts) reflected in the July 31, 1997 balance sheet included in the Financial Statements or as disclosed on Schedule 5.5(b), the Company has no liabilities or obligations (including, without limitation, Taxes (as defined in Section 5.8) payable and deferred Taxes and interest accrued since July 31, 1997)) required to be reflected in the Financial Statements (or the notes thereto) in accordance with GAAP other than current liabilities incurred in the

ordinary course of business, consistent with past practice, subsequent to July 31, 1997. The Company has also delivered to FYI on Schedule 5.5, in the case of those liabilities that are contingent, a reasonable estimate of the maximum amount that may be payable. For each such contingent liability, the Company has described on Schedule 5.5 the following information:

- (i) A summary description of the liability together with the following:
 - (A) Copies of all relevant documentation relating thereto;
 - (B) Amounts claimed and any other action or relief sought;
and
 - (C) Name of claimant and all other parties to the claim, suit or proceeding.
- (ii) The name of each court or agency before which such claim, suit or proceeding is pending;
- (iii) The date such claim, suit or proceeding was instituted; and
- (iv) A reasonable best estimate by the Company of the maximum amount, if any, which is likely to become payable with respect to each such liability. If no estimate is provided, the Company's best estimate shall for purposes of this Agreement be deemed to be zero.

5.6 Accounts and Notes Receivable. Set forth on Schedule 5.6 is an accurate list of the accounts and notes receivable of the Company, as of July 31, 1997, including any such amounts that are not reflected in the balance sheets as of July 31, 1997 included within the Financial Statements, and including receivables from and advances to employees and the Shareholders. The Company shall provide FYI with an aging of all accounts and notes receivable showing amounts due in 30-day aging categories. Except to the extent reflected on Schedule 5.6, all such accounts and notes are legal, valid and binding obligations of the obligors collectible in the amount shown on Schedule 5.6, net of reserves reflected in such balance sheets.

5.7 Permits and Intangibles. The Company holds all licenses, franchises, permits and other governmental authorizations, including permits, titles (including, without limitation, motor vehicle titles and current registrations), fuel permits, licenses, franchises, certificates, trademarks, trade names, patents, patent applications and copyrights owned or held by the Company, the absence of any of which would have a Material Adverse Effect (the "Material Permits"). An accurate list and summary description is set forth on Schedule 5.7 hereto of all such Material Permits. The Material Permits are valid, and the Company has not received any notice that any governmental authority intends to cancel, terminate or not renew any such Material Permit. The Company has conducted and is conducting its business in compliance with the requirements, standards, criteria and conditions set forth in applicable permits, licenses, orders, approvals, variances, rules and regulations and is not in violation of any of the foregoing except where such noncompliance or violation would not have a Material Adverse Effect. Except as specifically

provided on Schedule 5.7, the transactions contemplated by this Agreement will not result in a default under or a breach or violation of, or adversely affect the rights and benefits afforded to the Company by, any such Material Permits.

5.8 Tax Matters.

(a) The Company has filed all income tax returns required to be filed by the Company and all returns, reports and forms of other Taxes (as defined below) required to be filed by the Company and has paid or provided for all Taxes shown to be due on such returns and all such returns are accurate and correct in all respects. Except as set forth on Schedule 5.8, (i) no action or proceeding for the assessment or collection of any Taxes is pending against the Company and no notice of any claim for Taxes, whether pending or threatened, has been received; (ii) no deficiency, assessment or other formal claim for any Taxes has been asserted or made against the Company that has not been fully paid or finally settled; and (iii) no issue has been formally raised by any taxing authority in connection with an audit or examination of any return of Taxes. Except as set forth on Schedule 5.8, no federal, state or foreign income tax returns of the Company have been examined, and there are no outstanding agreements or waivers extending the applicable statutory periods of limitation for such Taxes for any period. All Taxes that the Company has been required to collect or withhold have been duly withheld or collected and, to the extent required, have been paid to the proper taxing authority. No Taxes will be assessed on or after the Closing Date against the Company for any tax period ending on or prior to the Closing Date other than for Taxes disclosed on Schedule 5.8. For purposes of this Agreement, "Taxes" shall mean all taxes, charges, fees, levies or other assessments including, without limitation, income, excise, property, withholding, sales and franchise taxes, imposed by the United States, or any state, county, local or foreign government or subdivision or agency thereof, and including any interest, penalties or additions attributable thereto.

(b) The Company is not a party to any Tax allocation or sharing agreement.

(c) None of the assets of the Company constitutes tax-exempt bond financed property or tax-exempt use property, within the meaning of Section 168 of the Code. The Company is not a party to any "safe harbor lease" that is subject to the provisions of Section 168(f)(8) of the Code as in effect prior to the Tax Reform Act of 1986, or to any "long-term contract" within the meaning of Section 460 of the Code.

(d) At the Closing Date, the Company will hold at least ninety percent (90%) of the fair market value of its net assets and at least seventy percent (70%) of the fair market value of its gross assets held immediately prior to the Closing Date. For purposes of making this representation, amounts paid by the Company to pay reorganization expenses, amounts paid by the Company pursuant to Section 9.1 and all redemptions and distributions in anticipation of or as part of the plan of reorganization by the Company will be included as assets of the Company immediately prior to the Effective Time of the Merger.

(e) At the Closing Date, the Company will not have outstanding any warrants, options, convertible securities, or any other type of right pursuant to which any person could acquire stock in the Company that, if exercised or converted, would affect FYI's acquisition or retention of ownership of more than eighty percent (80%) of the total combined voting power of all classes of the Company Stock and more than eighty percent (80%) of the total number of shares of each class of Company non-voting stock. The Company has no plan or intention to issue additional shares of its stock that would result in FYI losing control of the Surviving Corporation within the meaning of Section 368(c) of the Code.

(f) The Company is not an investment company as defined in Section 368(a)(2)(F)(iii) and (iv) of the Code.

(g) The fair market value of the assets of the Company exceeds the sum of the Company's liabilities.

(h) The Company is not under jurisdiction of a court in a Title 11 or similar case within the meaning of Section 368(a)(3)(A) of the Code.

(i) The liabilities of the Company to be assumed by Newco and the liabilities to which the transferred assets are subject were incurred by the Company in the ordinary course of its trade or business.

(j) The fair market value of the FYI stock and other consideration received by the Shareholders will be approximately equal to the fair market value of the Company Stock surrendered in the Merger.

(k) There is no plan or intention by any Shareholder to sell, exchange or otherwise dispose of any of the shares of FYI Stock received by such Shareholder in the Merger as of the Effective Time of the Merger or otherwise described in Annex II. For purposes of this representation, shares of the Company Stock exchanged for cash or other property and shares of the Company Stock exchanged for cash in lieu of fractional shares of FYI Stock will be treated as outstanding shares of the Company Stock on the date of the transaction. Moreover, shares of the Company Stock and shares of FYI stock held by the Shareholders and otherwise sold, redeemed or disposed of prior to or subsequent to the Closing Date will be considered in making this representation. In addition, there is no plan or intention by any Shareholder to sell, exchange or otherwise dispose of FYI Stock, if any, received by such Shareholder pursuant to Section 10.10.

(l) The Company and the Shareholders will each pay their own respective expenses, if any, incurred in connection with the Merger.

(m) There is no intercorporate indebtedness existing between FYI and the Company or between Newco and the Company that was issued, acquired or will be settled at a discount.

(n) None of the shares of FYI Stock received by the Shareholders in the Merger will be separate consideration for, or allocable to, any employment agreement; and the compensation paid to the Shareholders in their capacities as employees, including but not limited to amounts paid pursuant to the Employment Agreements described in Section 7.5, and any options granted to the Shareholders pursuant to Section 9.5, will be for services actually rendered and will be commensurate with amounts paid to third parties bargaining at arm's-length for similar services.

(o) All amounts paid by the Company to the Shareholders pursuant to Section 2.1 represent reasonable compensation for services performed by the Shareholders for the Company.

(p) The Company is a C corporation within the meaning of Subchapter S of the Code. The Company presently files its federal income tax returns on a cash basis of accounting.

(q) The Company is not a "consenting corporation" within the meaning of Section 341(f)(1) of the Code, or comparable provisions of any state statutes, and none of the assets of the Company are subject to an election under Section 341(f) of the Code or comparable provisions of any state statutes.

(r) The Company is not a party to any joint venture, partnership or other arrangement that is treated as a partnership for federal income Tax purposes.

(s) There are no accounting method changes of the Company that could give rise to an adjustment under Section 481 of the Code for periods after the Closing Date.

(t) The Company has substantial authority for the treatment of, or has disclosed (in accordance with Section 6662(d)(2)(B)(ii) of the Code) on its Federal income returns, all positions taken therein that could give rise to a substantial understatement of Federal income tax within the meaning of Section 6662(d) of the Code.

(u) The Company does not have any liability for Taxes for any Person other than the Company (i) under Section 1.1502-6 of the Treasury regulations (or any similar provision of state, local or foreign law), (ii), as a transferee or successor, (iii) by contract or (iv) otherwise.

(v) There currently are no limitations on the utilization of the net operating losses, built-in losses, capital losses, Tax credits or other similar items of the Company (collectively, the "Tax Losses") under (i) Section 382 of the Code, (ii) Section 383 of the Code, (iii) Section 384 of the Code, (iv) Section 269 of the Code, (v) Section 1.1502-15 and Section 1.1502-15A of the Treasury regulations, (vi) Section 1.1502-21 and Section 1.1502-21A of the Treasury regulations or (vii) Sections 1.1502-91 through 1.1502-99 of the Treasury regulations, in each case as in effect both prior to and following the Tax Reform Act of 1986, except as may be applicable as a result of entering into this Agreement or the consummation of the Merger.

(w) At the end of the last taxable year, the Company did not have aggregate Tax Losses for federal income Tax purposes except as set forth in Schedule 5.8.

5.9 Assets and Properties.

(a) **Real Property.** The Company does not own or hold any interest in real property other than as set forth in Schedule 5.10.

(b) **Personal Property.** Except as set forth on Schedule 5.9 and except for inventory and supplies disposed of or consumed, and accounts receivable collected or written off, and cash utilized, all in the ordinary course of business consistent with past practice, the Company owns all of its inventory, equipment and other personal property (both tangible and intangible) reflected on the latest balance sheets included in the Financial Statements or acquired since March 31, 1997, free and clear of any Liens, except for statutory Liens for current taxes, assessments or governmental charges or levies on property not yet due and payable.

(c) **Condition of Properties.** Except as set forth on Schedule 5.9, the leasehold estates the subject of the Real Property Leases (as defined in Section 5.10) and the tangible personal property owned or leased by the Company are in good operating condition and repair, ordinary wear and tear excepted; and neither the Company nor the Shareholders have any knowledge of any condition not disclosed herein of any such leasehold estate that would materially affect the fair market value, use or operation of any leasehold estate or otherwise have a Material Adverse Effect.

(d) **Compliance.** The continued use and occupancy of the leasehold estates the subject of the Real Property Leases as currently operated, used and occupied will not violate any zoning, building, health, flood control, fire or other law, ordinance, order or regulation or any restrictive covenant. There are no violations of any federal, state, county or municipal law, ordinance, order, regulation or requirement affecting any material portion of the leasehold estates and no written notice of any such violation has been issued by any governmental authority.

5.10 Real Property Leases; Options. Schedule 5.10 sets forth a list (summarizing the parties, lessor addresses, monthly rentals, square footages, the terms and any extensions and the function of any such property) and copies of (i) all leases and subleases under which the Company is lessor or lessee or sublessor or sublessee of any real property, together with all amendments, supplements, nondisturbance agreements, brokerage and commission agreements and other agreements pertaining thereto ("Real Property Leases"); (ii) all material options held by the Company or contractual obligations on the part of the Company to purchase or acquire any interest in real property; and (iii) all options granted by the Company or contractual obligations on the part of the Company to sell or dispose of any material interest in real property. Copies of all Real Property Leases and such options and contractual obligations have been delivered to FYI and Newco. The Company has not assigned any Real Property Leases or any such options or obligations. There are no liens on the interest of the Company in the Real Property Leases, subject only to (i) Liens for taxes and assessments not yet due and payable and (ii) those matters set forth on Schedule 5.10. The Real Property Leases and options and contractual obligations

listed on Schedule 5.10 are in full force and effect and constitute binding obligations of the Company and the other parties thereto, and (x) there are no defaults thereunder and (y) no event has occurred that with notice, lapse of time or both would constitute a default by the Company or, to the best knowledge of the Company and the Shareholders, by any other party thereto.

5.11 Environmental Laws and Regulations.

(a) (i) The Company's occupancy and operation of the "Subject Property" have been in compliance with Environmental Requirements (as defined below); (ii) during the occupancy and operation of the Subject Property by the Company no release, leak, discharge, spill, disposal or emission of Hazardous Substances (as defined below) has occurred in, on or, to the knowledge of the Company and the Shareholders, under the Subject Property in a quantity or manner that violates or requires further investigation or remediation under Environmental Requirements; (iii) the Subject Property is free of Hazardous Substances as of the date of this Agreement, except for the presence of small quantities of Hazardous Substances utilized by the Company or other tenants of the Subject Property in the ordinary course of their business; (iv) there is no pending or, to the knowledge of the Company and the Shareholders, threatened litigation or administrative investigation or proceeding concerning the Subject Property involving Hazardous Substances or Environmental Requirements; (v) there are no above-ground or underground storage tank systems located at the Subject Property; and (vi) except as set forth on Schedule 5.11, the Company has never owned, operated, or leased any real property other than the Subject Property.

(b) **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

"Environmental Requirements" means all laws, statutes, rules, regulations, ordinances, guidance documents, judgments, decrees, orders, agreements and other restrictions and requirements (whether now or hereafter in effect) of any governmental authority, including, without limitation, federal, state and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, transportation, handling or other management of industrial or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants.

"Hazardous Substance" means (i) any "hazardous substance" as defined in §101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended from time to time (42 U.S.C. §§ 9601 et seq.) ("CERCLA") or any regulations promulgated thereunder, or the Occupational Safety and Health Act of 1970, as amended from time to time (29 U.S.C. § 651 et seq.), or any regulations promulgated thereunder; (ii) petroleum and petroleum by-products; or (iii) any additional substances or materials that have been or are currently classified or considered to be pollutants, hazardous or toxic under Environmental Requirements.

"Subject Property" means all property subject to the Real Property Leases and any properties listed on Schedules 5.10 and 5.11.

5.12 Contracts.

(a) Set forth on Schedule 5.12(a) is a summary and copies of all material contracts, agreements, arrangements and commitments (whether oral or written) to which the Company is a party or by which its assets or business are bound including, without limitation, contracts, agreements, arrangements or commitments (the following, "Contracts") that relate to (i) the sale, lease or other disposition by the Company of all or any substantial part of its business or assets (other than in the ordinary course of business), (ii) the purchase or lease by the Company of a substantial amount of assets (other than in the ordinary course of business), (iii) the supply by the Company of any customer's requirements for any item or the purchase by the Company of its requirements for any item or of a vendor's output of any item, (iv) lending or advancing funds by the Company, (v) borrowing of funds or guaranteeing the borrowing of funds by any other person, whether under an indenture, note, loan agreement or otherwise, (vi) any transaction or matter with any affiliate of the Company, (vii) noncompetition, (viii) licenses and grants to or from the Company relating to any intangible property listed on Schedule 5.18, (ix) the acquisition by the Company of any operating business or the capital stock of any person since March 31, 1997, or (x) any other matter that is material to the business, assets or operations of the Company.

(b) Except as set forth on Schedule 5.12(b), each Contract is in full force and effect on the date hereof, the Company is not in default under any Contract, the Company has not given or received notice of any default under any Contract, and, to the knowledge of the Company and the Shareholders, no other party to any Contract is in default thereunder.

5.13 No Violations. The execution, delivery and performance of this Agreement and the other agreements and documents contemplated hereby by the Company and the Shareholders and the consummation of the transactions contemplated hereby will not (i) violate any provision of any Charter Document, (ii) violate any statute, rule, regulation, order or decree of any public body or authority by which the Company or the Shareholders or its or their respective properties or assets are bound, or (iii) result in a violation or breach of, or constitute a default under, or result in the creation of any encumbrance upon, or create any rights of termination, cancellation or acceleration in any person with respect to any Contract or any material license, franchise or permit of the Company or any other agreement, contract, indenture, mortgage or instrument to which the Company is a party or by which any of its properties or assets is bound.

5.14 [Intentionally Omitted.]

5.15 Consents. Except as set forth on Schedule 5.15, no consent, approval or other authorization of any governmental authority or under any Contract or other agreement or commitment to which the Company or the Shareholders are parties or by which its or their respective assets are bound is required as a result of or in connection with the execution or delivery of this Agreement and the other agreements and documents to be executed by the Company and the Shareholders or the consummation by the Company and the Shareholders of the transactions contemplated hereby.

5.16 Litigation and Related Matters. Set forth on Schedule 5.16 is a list of all actions, suits, proceedings, investigations or grievances pending against the Company or, to the best knowledge of the Company and the Shareholders, threatened against the Company, the business or any property or rights of the Company, at law or in equity, before or by any arbitration board or panel, court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign ("Agencies"). Except for the payment of money damages as estimated on Schedules 5.5(b) and 5.16, none of the actions, suits, proceedings or investigations listed on Schedule 5.16 either (i) results in or would, if adversely determined, have a Material Adverse Effect or (ii) affects or would, if adversely determined, affect the right or ability of the Company to carry on its business substantially as now conducted. The Company is not subject to any continuing court or Agency order, writ, injunction or decree applicable specifically to its business, operations or assets or its employees, nor in default with respect to any order, writ, injunction or decree of any court or Agency with respect to its assets, business, operations or employees. Schedule 5.16 lists (x) all worker's compensation claims outstanding against the Company as of the date hereof and (y) all actions, suits or proceedings filed by or against the Company since December 31, 1996.

5.17 Compliance with Laws. The Company (a) is in compliance with all applicable laws, regulations (including federal, state and local procurement regulations), orders, judgments and decrees except where the failure to so comply would not have a Material Adverse Effect, and (b) possesses all Material Permits.

5.18 Intellectual Property Rights. Schedule 5.18 lists the domestic and foreign trade names, trademarks, service marks, trademark registrations and applications, service mark registrations and applications, patents, patent applications, patent licenses, software licenses and copyright registrations and applications owned by the Company or used thereby in the operation of its business (collectively, the "Intellectual Property"), which Schedule indicates (i) the term and exclusivity of its rights with respect to the Intellectual Property and (ii) whether each item of Intellectual Property is owned or licensed by the Company, and if licensed, the licensor and the license fees therefor. Unless otherwise indicated on Schedule 5.18, the Company has the right to use and license the Intellectual Property, and the consummation of the transactions contemplated hereby will not result in the loss or material impairment of any rights of the Company in the Intellectual Property. Each item constituting part of the Intellectual Property has been, to the extent indicated on Schedule 5.18, registered with, filed in or issued by, as the case may be, the United States Patent and Trademark Office or such other government entity, domestic or foreign, as is indicated on Schedule 5.18; all such registrations, filings and issuances remain in full force and effect; and all fees and other charges with respect thereto are current. Except as stated on Schedule 5.18, there are no pending proceedings or adverse claims made or, to the best knowledge of the Company and the Shareholders, threatened against the Company with respect to the Intellectual Property; there has been no litigation commenced or threatened in writing within the past five (5) years with respect to the Intellectual Property or the rights of the Company therein; and the Company and the Shareholders have no knowledge that (i) the Intellectual Property or the use thereof by the Company conflicts with any trade names, trademarks, service marks, trademark or service mark registrations or applications, patents, patent applications, patent licenses or copyright registrations or applications of others ("Third Party Intellectual Property"), or (ii) such Third Party Intellectual Property or its use by others or any

other conduct of a third party conflicts with or infringes upon the Intellectual Property or its use by the Company.

5.19 Employee Benefit Plans. Each employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained or contributed to by the Company or any of its Group Members (as defined below) (collectively, the "Plans") is listed on Schedule 5.19, is in compliance with applicable law and has been administered and operated in all material respects in accordance with its terms. Each Plan that is intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service (the "IRS") and no event has occurred and no condition exists that could be expected to result in the revocation of any such determination. No event that constitutes a "reportable event" (within the meaning of Section 4043(b) of ERISA) for which the 30-day notice requirement has not been waived by the Pension Benefit Guaranty Corporation (the "PBGC") has occurred with respect to any Plan. No Plan is subject to Title IV of ERISA, and neither the Company nor any Group Member has made any contributions to or participated in any "multiple employer plan" (within the meaning of the Code or ERISA) or "multi-employer plan" (as defined in Section 4001(a)(3) of ERISA). Full payment has been made of all amounts that the Company was required under the terms of the Plans to have paid as contributions to such Plans on or prior to the date hereof (excluding any amounts not yet due) and all amounts properly accrued to date as liabilities of the Company that have not been paid have been properly recorded on the Financial Statements, and no Plan that is subject to Part 3 of Subtitle B of Title 1 of ERISA has incurred any "accumulated funding deficiency" (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived. The Company and, to the knowledge of the Shareholders, no other "disqualified person" or "party in interest" (within the meaning of Section 4975(e)(2) of the Code and Section 3(14) of ERISA, respectively) has engaged in any transactions in connection with any Plan that could be expected to result in the imposition of a material penalty pursuant to Section 502(i) of ERISA, damages pursuant to Section 409 of ERISA or a tax pursuant to Section 4975(a) of the Code. No material claim, action, proceeding, or litigation has been made, commenced or, to the knowledge of the Company and the Shareholders, threatened with respect to any Plan (other than for benefits payable in the ordinary course and PBGC insurance premiums). No Plan or related trust owns any securities in violation of Section 407 of ERISA. Neither the Company nor any Group Member has incurred any liability or taken any action, or has any knowledge of any action or event, that could cause it to incur any liability (i) under Section 412 of the Code or Title IV of ERISA with respect to any "single employer plan" (within the meaning of Section 4001(a)(15) of ERISA), (ii) on account of a partial or complete withdrawal (within the meaning of Section 4205 and 4203 of ERISA, respectively) with respect to any "multi-employer plan" (within the meaning of Section 3(37) of ERISA), (iii) on account of unpaid contributions to any such multi-employer plan, or (iv) to provide health benefits or other non-pension benefits to retired or former employees, except as specifically required by Section 4980B(f) of the Code. Except as set forth on Schedule 5.19, neither the execution and delivery of this Agreement by the Company or the consummation of the transactions contemplated hereby will (i) entitle any current or former employee of the Company to severance pay, unemployment compensation or any similar payment, (ii) accelerate the time of payment or vesting, or increase the amount of, any compensation due to any such employee or former employee, or (iii) directly or indirectly result in any payment made or to be made to or on behalf of any person to constitute a "parachute payment" (within the meaning of Section 280G of the Code). For purposes of this Agreement,

"Group Member" shall mean any member of any "affiliated service group" as defined in Section 414(m) of the Code that includes the Company, any member of any "controlled group of corporations" as defined in Section 1563 of the Code that includes the Company or any member of any group of "trades or businesses under common control" as defined by Section 414(c) of the Code that includes the Company.

5.20 Employees: Employee Relations.

(a) Schedule 5.20 sets forth (i) the name and current annual salary (or rate of pay) and other compensation (including, without limitation, normal bonus, profit-sharing and other compensation) now payable by the Company to each employee whose current total annual compensation or estimated compensation is \$25,000 or more, (ii) any increase to become effective after the date of this Agreement in the total compensation or rate of total compensation payable by the Company to each such person, (iii) any increase to become payable after the date of this Agreement by the Company to employees other than those specified in clause (i) of this Section 5.20(a), (iv) all presently outstanding loans and advances (other than routine travel advances to be repaid or formally accounted for within sixty (60) days) made by the Company to, or made to the Company by, any director, officer or employee, (v) all other transactions between the Company and any director, officer or employee thereof since December 31, 1996, and (vi) all accrued but unpaid vacation pay owing to any officer or employee that is not disclosed on the Financial Statements.

(b) The Company is not, nor has it ever been, a party to, or bound by, the terms of any collective bargaining agreement, and the Company has not experienced any material labor difficulties during the last five (5) years.

(c) The relationships enjoyed by the Company with its employees are good and the Company and the Shareholders have no knowledge of any facts that would indicate that the employees of the Company will not continue in the employ thereof following the Closing on a basis similar to that existing on the date of this Agreement. Since December 31, 1995, the Company has not experienced any difficulties in obtaining any qualified personnel necessary for the operations of its business and, to the best knowledge of the Company and the Shareholders, no such shortage of qualified personnel is threatened or pending. Except as disclosed on Schedule 5.20, the Company is not a party to any employment contract with any individual or employee, either express or implied. No legal proceedings, charges, complaints or similar actions exist under any federal, state or local laws affecting the employment relationship including, but not limited to: (i) anti-discrimination statutes such as Title VII of the Civil Rights Act of 1964, as amended (or similar state or local laws prohibiting discrimination because of race, sex, religion, national origin, age and the like); (ii) the Fair Labor Standards Act or other federal, state or local laws regulating hours of work, wages, overtime and other working conditions; (iii) requirements imposed by federal, state or local governmental contracts such as those imposed by Executive Order 11246; (iv) state laws with respect to tortious employment conduct, such as slander, harassment, false light, invasion of privacy, negligent hiring or retention, intentional infliction of emotional distress, assault and battery, or loss of consortium; or (v) the Occupational Safety and Health Act, as amended, as well as any

similar state laws, or other regulations respecting safety in the workplace; and to the best knowledge of the Company and the Shareholders, no proceedings, charges, or complaints are threatened under any such laws or regulations and no facts or circumstances exist that would give rise to any such proceedings, charges, complaints, or claims, whether valid or not. The Company is not subject to any settlement or consent decree with any present or former employee, employee representative or any government or Agency relating to claims of discrimination or other claims in respect to employment practices and policies; and no government or Agency has issued a judgment, order, decree or finding with respect to the labor and employment practices (including practices relating to discrimination) of the Company. Since December 31, 1995 the Company has not incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state laws; and the Company has not laid off more than ten percent (10%) of its employees at any single site of employment in any ninety (90) day period during the twelve (12) month period ending March 31, 1997.

(d) The Company is in compliance in all material respects with the provisions of the Americans with Disabilities Act in effect as of the date of this Agreement.

5.21 Insurance. Schedule 5.21 contains an accurate list of the policies and contracts (including insurer, named insured, type of coverage, limits of insurance, required deductibles or co-payments, annual premiums and expiration date) for fire, casualty, liability and other forms of insurance maintained by, or for the benefit of, the Company. All such policies are in full force and effect and shall remain in full force and effect through the Closing Date and are adequate for the business engaged in by the Company. Neither the Company nor the Shareholders have received any notice of cancellation or non-renewal or of significant premium increases with respect to any such policy. Except as disclosed on Schedule 5.21, no pending claims made by or on behalf of the Company under such policies have been denied or are being defended against third parties under a reservation of rights by an insurer thereof. All premiums due prior to the date hereof for periods prior to the date hereof with respect to such policies have been timely paid.

5.22 Interests in Customers, Suppliers, Etc. No shareholder, officer, director or affiliate of the Company possesses, directly or indirectly, any financial interest in, or is a director, officer, employee or affiliate of, any corporation, firm, association or business organization that is a client, supplier, customer, lessor, lessee or competitor of the Company. Ownership of securities of a corporation whose securities are registered under the Securities Exchange Act of 1934 not in excess of five percent (5%) of any class of such securities shall not be deemed to be a financial interest for purposes of this Section 5.22.

5.23 Business Relations. Schedule 5.23 contains an accurate list and copies of contracts of all significant customers and suppliers of the Company (i.e., those customers representing five percent (5%) or more of the Company's revenues for the twelve (12) months ended March 31, 1997 or those ten (10) largest revenue-generating customers, and those suppliers representing five percent (5%) or more of the Company's operating expenses for the twelve (12) months ended March 31, 1997 or those ten (10) suppliers with the largest aggregate invoice amounts submitted to the Company with respect to such period). Except as set forth on Schedule 5.23, to the best knowledge of the Company and the Shareholders, no customer or supplier of the

Company has or will cease to do business therewith after the consummation of the transactions contemplated hereby, which cessation would have a Material Adverse Effect, and no customer will cease to do business with the Company nor will the terms of any Contract change or be modified in any material respect as a result of the change of ownership of the Company as a result of the Merger. Except as set forth on Schedule 5.23, since December 31, 1995, the Company has not experienced any difficulties in obtaining any inventory items necessary to the operation of its business, and, to the best knowledge of the Company and the Shareholders, no such shortage of supply of inventory items is threatened or pending. The Company is not required to provide any bonding or other financial security arrangements in any material amount in connection with any transactions with any of its customers or suppliers.

5.24 Officers and Directors. Set forth on Schedule 5.24 is a list of the current officers and directors of the Company.

5.25 Bank Accounts and Powers of Attorney. Schedule 5.25 sets forth each bank, savings institution and other financial institution with which the Company has an account or safe deposit box and the names of all persons authorized to draw thereon or to have access thereto. Each person holding a power of attorney or similar grant of authority on behalf of the Company is identified on Schedule 5.25. Except as disclosed on such Schedule, the Company has not given any revocable or irrevocable powers of attorney to any person, firm, corporation or organization relating to its business for any purpose whatsoever.

5.26 Absence of Certain Changes or Events. Except as set forth on Schedule 5.26 or as otherwise contemplated by this Agreement, since December 31, 1996, there has not been (a) any damage, destruction or casualty loss to the physical properties of the Company (whether or not covered by insurance), (b) any event or circumstance that would have a Material Adverse Effect, (c) any entry into any transaction, commitment or agreement (including, without limitation, any borrowing) material to the Company, except transactions, commitments or agreements in the ordinary course of business consistent with past practice, (d) any declaration, setting aside or payment of any dividend or other distribution in cash, stock or property with respect to the capital stock or other securities of the Company, any repurchase, redemption or other acquisition by the Company of any capital stock or other securities, or any agreement, arrangement or commitment by the Company to do so, (e) any increase that is material in the compensation payable or to become payable by the Company to its directors, officers, employees or agents or any increase in the rate or terms of any bonus, pension or other employee benefit plan, payment or arrangement made to, for or with any such directors, officers, employees or agents, except as set forth on Schedule 5.26, (f) any sale, transfer or other disposition of, or the creation of any Lien upon, any part of the assets of the Company, tangible or intangible, except for sales of inventory and use of supplies and collections of accounts receivables in the ordinary course of business consistent with past practice, or any cancellation or forgiveness of any debts or claims by the Company, (g) any change in the relations of the Company with or loss of its customers or suppliers, or any loss of business or increase in the cost of inventory items or change in the terms offered to customers, which would have a Material Adverse Effect, or (h) any capital expenditure (including any capital leases) or commitment therefor by the Company in excess of \$10,000.

5.27 Disclosure. All written agreements, lists, schedules, instruments, exhibits, documents, certificates, reports, statement and other writings furnished to FYI or Newco pursuant hereto or in connection with this Agreement or the transactions contemplated hereby are and will be complete and accurate in all material respects. No representation or warranty by the Shareholders and the Company contained in this Agreement, in the schedules attached hereto or in any certificate furnished or to be furnished by the Shareholders or the Company to FYI or Newco in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary in order to make any statement contained herein or therein not misleading. There is no fact known to any Shareholder that has specific application to such Shareholder or the Company (other than general economic or industry conditions) and that materially adversely affects or, as far as such Shareholder can reasonably foresee, materially threatens, the assets, business, prospects, financial condition, or results of operations of the Company that has not been set forth in this Agreement or any schedule hereto.

5.28 Government Contracts.

(a) Except as set forth on Schedule 5.28, the Company is not a party to any governmental contracts.

(b) The Company has not been suspended or debarred from bidding on contracts or subcontracts for any agency or instrumentality of the United States Government or any state, nor, to the knowledge of the Stockholders, has any suspension or debarment action been threatened or commenced. There is no valid basis for the Company's suspension or debarment from bidding on contracts or subcontracts for any agency of the United States Government or any state.

(c) Except as set forth in Schedule 5.28, the Company has not been, nor is it now being, audited, or investigated by any government agency, or the inspector general or auditor general or similar functionary of any agency or instrumentality, nor, to the knowledge of the Stockholders, has such audit or investigation been threatened.

(d) The Company has no dispute pending before a contracting office of, nor any current claim (other than the Accounts Receivable) pending against, any agency or instrumentality of the United States Government or any state, relating to a contract.

(e) The Company has not, with respect to any contract, received a cure notice advising the Company that it is or was in default or would, if it failed to take remedial action, be in default or would, if it failed to take remedial action, be in default under such contract.

(f) The Company has not submitted any inaccurate, untruthful, or misleading cost or pricing data, certification, bid, proposal, report, claim or any other information relating to a contract to any agency or instrumentality of the United States Government or any state.

(g) No employee, agent, consultant, representative, or affiliate of the Company is in receipt or possession of any competitor or government proprietary or procurement sensitive information related to the Company's business under circumstances where there is reason to believe that such receipt or possession is unlawful or unauthorized.

(h) Each of the Company's contracts has been issued, awarded or novated to the Company in the Company's name.

(i) The Company has not made, offered or agreed to offer anything of value to any governmental official, political party or candidate for government office nor has it otherwise taken any action that would cause the Company to be in violation of the Foreign Corrupt Practices Act of 1977, as amended, or any law of similar effect.

(B) Representations and Warranties of the Shareholders.

Each Shareholder severally represents and warrants that the representations and warranties in this Section 5(B) as they apply to him or her are true and correct as of the date of this Agreement and at the time of the Closing.

5.29 Authority; Ownership. The Shareholder has the full legal right, power and authority to enter into this Agreement. The Shareholder owns beneficially (subject to any community property interest of his or her spouse) and of record the shares of the Company Stock set forth opposite such Shareholder's name on Annex I and such shares of the Company Stock, together with the other shares of the Company Stock set forth on Annex I, constitutes all of the outstanding shares of capital stock of the Company, and, except as set forth on Schedule 5.29 hereof, such shares of the Company Stock owned by the Shareholder are owned free and clear of all Liens other than standard state and federal securities laws private offering restrictions. The Shareholder has owned the Company Stock since the date set forth on Annex I.

5.30 Preemptive Rights. The Shareholder does not have, or hereby waives, any preemptive or other right to acquire shares of the Company Stock or FYI Stock that the Shareholder has or may have had other than rights of the Shareholder to acquire FYI Stock pursuant to (i) this Agreement or (ii) any option granted by FYI.

5.31 No Intention to Dispose of FYI Stock. Each Shareholder represents that there is no current plan or intention by such Shareholder to sell, exchange or otherwise dispose of any of the shares of FYI Stock received by such Shareholder in the Merger as of the Effective Time of the Merger. For purposes of this representation, shares of the Company Stock exchanged for cash or other property and shares of the Company Stock exchanged for cash in lieu of fractional shares of FYI Stock will be treated as outstanding shares of the Company Stock on the date of the transaction. Moreover, shares of the Company Stock and shares of FYI Stock held by the Shareholder and otherwise sold, redeemed or disposed of prior to or subsequent to the Closing Date will be considered in making this representation. In addition, each Shareholder represents that there is not any current plan or intention by such Shareholder to sell, exchange or otherwise dispose of FYI Stock, if any, received by such Shareholder pursuant to Section 10.10.

5.32 Validity of Obligations. This Agreement, the Employment Agreement and the Lock-Up Agreement have each been duly executed and delivered and are the legal, valid and binding obligations of the Shareholder that is a party thereto in accordance with their respective terms.

5.33 Payments. All amounts paid by the Company to the Shareholders pursuant to Section 9.1 represent reasonable compensation for services performed by the Shareholders for the Company.

5.34 Prospectus; Securities Representations. Each Shareholder has received and reviewed a copy of the prospectus dated April 24, 1997 including all supplements thereto (as supplemented, the "Shelf Prospectus") contained in FYI's shelf registration statement on Form S-4. Each Shareholder (a) has such knowledge, sophistication and experience in business and financial matters that he or she is capable of evaluating the merits and risks of an investment in the shares of FYI Stock, (b) fully understands the nature, scope and duration of the limitations on transfer contained herein, in the Lock-Up Agreement and under applicable laws, and (c) can bear the economic risk of any investment in the shares of FYI Stock and can afford a complete loss of such investment. Each Shareholder has had an adequate opportunity to ask questions and receive answers (and has asked such questions and received answers to his or her satisfaction) from the officers of FYI concerning the business, operations and financial condition of FYI. None of the Shareholders has any contract, undertaking, agreement or arrangement, written or oral, with any other person to sell, transfer or grant participation in any shares of FYI Stock to be acquired by such Shareholder in the Merger.

5.35 Absence of Claims Against the Company. The Shareholder does not have any claims against the Company other than as disclosed herein.

6. REPRESENTATIONS OF FYI AND NEWCO

FYI and Newco severally and jointly represent and warrant that all of the following representations and warranties in this Section 6 are true and correct at the time of the Closing.

6.1 Due Organization. Each of FYI and Newco is duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly authorized and qualified under all applicable laws, regulations, and ordinances of public authorities to carry on its businesses in the places and in the manner as now conducted except for where the failure to be so authorized or qualified would not have a material adverse effect on its business, operations, affairs, properties, assets or condition (financial or otherwise).

6.2 FYI Stock. The FYI Stock to be delivered to the Shareholders at the Closing Date shall constitute valid and legally issued shares of FYI, fully paid and nonassessable, and except as set forth in this Agreement, (a) will be owned free and clear of all Liens created by FYI, and (b) will be legally equivalent in all respects to the FYI Stock issued and outstanding as of the date hereof. The shares of FYI Stock to be issued to the Shareholders pursuant to this Agreement will be registered under the 1933 Act and will be listed and eligible for trading on the Nasdaq National Market System.

6.3 Validity of Obligations. The execution and delivery of this Agreement, the Employment Agreements and the Lock-Up Agreements by FYI and Newco and the performance by each of FYI and Newco of the transactions contemplated herein or therein have been duly and validly authorized by the respective Boards of Directors of FYI and Newco to the extent that it is a party thereto, and this Agreement, the Employment Agreements and the Lock-Up Agreements have each been duly and validly authorized by all necessary corporate action, duly executed and delivered and are the legal, valid and binding obligations of each of FYI and Newco to the extent that it is a party thereto, enforceable against such party thereto in accordance with their respective terms, subject to the Equitable Exceptions.

6.4 Authorization. The representatives of FYI and Newco executing this Agreement have the corporate authority to enter into and bind FYI and Newco to the terms of this Agreement. FYI and Newco have the full legal right, power and authority to enter into this Agreement and the Merger.

6.5 No Conflicts. The execution, delivery and performance of this Agreement, the consummation of any transactions herein referred to or contemplated by and the fulfillment of the terms hereof and thereof will not:

(a) Conflict with, or result in a breach or violation of Certificate of Incorporation or By-laws of either FYI or Newco;

(b) Materially conflict with, or result in a material default (or would constitute a default but for any requirement of notice or lapse of time or both) under any document, agreement or other instrument to which either FYI or Newco is a party, or violate or result in the creation or imposition of any lien, charge or encumbrance on any of FYI's or Newco's properties pursuant to (i) any law or regulation to which either FYI or Newco or any of their respective property is subject, or (ii) any judgment, order or decree to which FYI or Newco is bound or any of their respective property is subject; or

(c) Result in termination or any impairment of any material permit, license, franchise, contractual right or other authorization of FYI or Newco.

6.6 Capitalization of FYI and Ownership of FYI Stock. The authorized and outstanding capital stock of FYI and Newco is as set forth in Sections 1.4(c) and 1.4(d) respectively. All issued and outstanding shares of FYI stock are duly authorized, validly issued, fully paid and nonassessable. There are no obligations of FYI to repurchase, redeem or otherwise acquire any shares of FYI capital stock.

6.7 Transactions in Capital Stock. There has been no transaction or action taken with respect to the equity ownership of FYI or Newco in contemplation of the transactions described in this Agreement that would prevent FYI from accounting for such transactions on a reorganization accounting basis.

6.8 Subsidiaries. Set forth on Schedule 6.8 hereto is a list of the subsidiaries of FYI (each an "FYI Subsidiary" and collectively the "FYI Subsidiaries"). Newco has no subsidiaries.

6.9 Business; Real Property; Material Agreements; Financial Information. FYI has provided to the Company and the Shareholders FYI's audited historical financial statements for the year ended December 31, 1996 and its financial statements as filed on Form 10-Q with the Securities and Exchange Commission for the quarter ended June 30, 1997. Such FYI financial statements have been prepared in accordance with GAAP and present fairly the financial position of FYI as of the indicated dates and for the indicated periods. FYI has provided the Company and the Shareholders with true, complete and correct copies of its Registration Statement on Form S-4 (Registration No. 333-24015) and its Form 8-K, Proxy Statement, Form 8-K and Form 10-Q filed this year to date. Newco was formed on May 15, 1996, and has no historical financial statements or information.

6.10 Conformity with Law and Litigation. Neither FYI nor Newco is in violation of any law or regulation or any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality having jurisdiction over either of them that would have a material adverse effect on the business, operations, affairs, properties, assets or condition (financial or otherwise) of FYI and the FYI Subsidiaries taken as a whole (an "FYI Material Adverse Effect"). Except as set forth on Schedule 6.10, there are no claims, actions, suits or proceedings, pending or, to the knowledge of FYI or Newco that would have an FYI Material Adverse Effect, threatened, against or affecting FYI or Newco, at law or in equity, or before or by any Agency having jurisdiction over either of them and no notice of any claim, action, suit or proceeding, whether pending or threatened, has been received. FYI has conducted and is conducting its business in material compliance with the requirements, standards, criteria and conditions set forth in applicable Federal, state and local statutes, ordinances, orders, approvals, variances, rules and regulations and is not in violation of any of the foregoing that would have an FYI Material Adverse Effect.

6.11 No Violations. Copies of the Certificates of Incorporation of FYI and Newco and the Amended and Restated By-laws of FYI and the By-laws of Newco (the "FYI Charter Documents") have been made available to the Company and the Shareholders; neither FYI nor Newco is (a) in violation of any FYI Charter Document or (b) in default, under any material lease, instrument, agreement, license, permit to which it is a party or by which its properties are bound (the "FYI Material Documents"); and (i) the rights and benefits of FYI under the FYI Material Documents will not be materially and adversely affected by the transactions contemplated hereby and (ii) the execution of this Agreement and the performance of the obligations hereunder and the consummation of the transactions contemplated hereby will not result in any material violation or breach or constitute a default under, any of the terms or provisions of the FYI Material Documents or the FYI Charter Documents. Except as set forth on Schedule 6.11, none of the FYI Material Documents requires notice to, or the consent or approval of, any Agency or other third party to any of the transactions contemplated hereby to remain in full force and effect or give rise to any right to termination, cancellation or acceleration or loss of any right or benefit. The minute books of FYI as heretofore made available to the Company are true and correct.

6.12 Taxes.

(a) The fair market value of the FYI Stock and other consideration received by the Shareholders will be approximately equal to the aggregate fair market value of the Company Stock surrendered in the Merger.

(b) Prior to the Merger, FYI will own all of the outstanding stock of Newco. At all times prior to the Merger, no person other than FYI has owned, or will own, any of the outstanding stock of Newco.

(c) (i) Newco was formed by FYI solely for the purpose of engaging in the transaction contemplated by the Agreement.

(ii) There were not as of the date of the Agreement and there will not be at the Closing Date, any outstanding or authorized options, warrants, convertible securities, calls, rights, commitments or any other agreements of any character which Newco is a party to, or may be bound by, requiring it to issue, transfer, sell, purchase, redeem or acquire any shares of its capital stock or any securities or rights convertible, into, exchangeable for, evidencing the right to subscribe for or acquire, any shares of its capital stock.

(iii) As of the date of this Agreement and the Closing Date, except for obligations or liabilities incurred in connection with (A) its incorporation or organization and (B) the transactions contemplated thereby and in the Agreement, Newco has not and will not have incurred, directly or indirectly through any subsidiary, any obligations or liabilities or engaged in any business or activities of any type or kind whatsoever or entered into any agreement or arrangements with any person or entity.

(iv) Prior to the Closing Date, Newco did not own any asset other than an amount of cash necessary to incorporate Newco and to pay the expenses of the Merger attributable to Newco and such assets as were necessary to perform its obligations under this Agreement.

(v) FYI has no plan or intention to cause the Surviving Corporation to issue additional shares of its stock that would result in FYI losing control of the Surviving Corporation within the meaning of Section 368(c) of the Code.

(d) FYI has no plan or intention to reacquire any of its stock issued in the Merger.

(e) FYI has no plan or intention to liquidate Newco or merge Newco with or into another corporation (other than as described in this Agreement); sell or otherwise dispose of the stock of Newco; or cause Newco or any of its subsidiaries to sell or otherwise dispose of any of its assets or of any of the assets acquired from the Company, other than as contemplated by this Agreement, directly or indirectly, except for (i) dispositions made in the ordinary course of business, (ii) transfers of assets to a

corporation all of whose outstanding stock is owned directly by Newco or (iii) transfers of assets by direct or indirect wholly-owned subsidiaries of Newco to other direct or indirect wholly-owned subsidiaries of Newco.

(f) Assuming the correctness of the representation in Section 5.8(i), any liabilities of the Company assumed by Newco, and any liabilities to which the transferred assets of the Company are subject were incurred by the Company in the ordinary course of business.

(g) FYI, and Newco will each pay their own respective expenses, if any, incurred in connection with the Merger.

(h) There is no intercorporate indebtedness existing between FYI and the Company or between Newco and the Company that was issued, acquired, or will be settled at a discount.

(i) Neither FYI nor Newco is an investment company as defined in section 368(a)(2)(F)(iii) and (iv) of the Code.

(j) None of the compensation received by any shareholder-employee of the Company after the Merger will be separate consideration for, or allocable to, any of their shares of the Company; none of the shares of FYI Stock received by any shareholder-employee in the Merger will be separate consideration for, or allocable to, any employment agreement; and the compensation paid to any shareholder-employee after the Merger pursuant to arrangements entered into after the Merger will be for services actually rendered and will be commensurate with amounts paid to third parties bargaining at arm's-length for similar services.

(k) The proposed Merger is effected through the laws of the United States, or a State or the District of Columbia.

(l) The proposed Merger is being undertaken for reasons germane to the business of FYI and Newco.

(m) Assuming the correctness of the representation in Section 5.8(d), FYI has no plan or intention to cause the Surviving Corporation immediately after the Closing Date to hold less than ninety percent (90%) of the fair market value of the Surviving Corporation and the Company's net assets and seventy percent (70%) of the fair market value of the gross assets of the Surviving Corporation and the Company immediately prior to the Closing Date, with such amount determined based on the same methodology described in Section 5.8(d) other than the amounts described in Section 9.1.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SHAREHOLDERS AND THE COMPANY

The obligations of the Shareholders and of the Company with respect to actions to be taken on the Closing Date are subject to the satisfaction or waiver on or prior to the Closing Date

of all of the following conditions, except that no such waiver shall be deemed to affect the survival of the representations and warranties of FYI and Newco contained in Section 6 hereof.

7.1 **Representations and Warranties: Performance of Obligations.** All of the representations and warranties of FYI and Newco contained in this Agreement shall be true and correct as of the Closing Date; and each and all of the terms, covenants and conditions of this Agreement to be complied with and performed by FYI and Newco on or before the Closing Date shall have been duly complied with and performed.

7.2 **Satisfaction.** All actions, proceedings, instruments and documents required to carry out this Agreement or incidental hereto and all other related legal matters shall be reasonably satisfactory to each of the Company and the Shareholders and their counsel.

7.3 **No Litigation.** No action or proceeding before a court or any other Agency shall have been instituted or threatened to restrain or prohibit the merger of Newco with the Company and no Agency shall have taken any other action or made any request of the Company as a result of which the management of the Company deems it inadvisable to proceed with the transactions hereunder.

7.4 **Opinion of Counsel.** The Company and the Shareholders shall have received an opinion from Locke Purnell Rain Harrell (A Professional Corporation), counsel for FYI, dated the Closing Date, in the form annexed hereto as Annex III.

7.5 **Employment Agreements.** Newco shall have executed and delivered to the Shareholders Employment Agreement in substantially the forms attached hereto as Annex IV (the "Employment Agreements").

7.6 **Escrow Agreement.** FYI and Newco shall have executed and delivered to the Shareholders the Escrow Agreement with the Shareholders and U.S. Trust Company of Texas, N.A. as escrow agent (the "Escrow Agent") in substantially the form attached hereto as Annex V (the "Escrow Agreement").

7.7 **Consents and Approvals.** All necessary consents of and filings with any Agency relating to the consummation of the transactions contemplated herein shall have been obtained and made and no action or proceeding shall have been instituted or threatened to restrain or prohibit the Merger and no Agency shall have taken any other action or made any request of the Company as a result of which the Company deems it inadvisable to proceed with the transactions hereunder.

7.8 **Good Standing Certificates.** FYI and Newco each shall have delivered to the Company a certificate, dated as of a date not more than forty-five (45) days prior to the Closing Date, duly issued by the Delaware Secretary of State and in each state in which FYI or Newco is authorized to do business, showing that each of FYI and Newco is in good standing and authorized to do business and that all state franchise and/or income tax returns and taxes for FYI and Newco, respectively, for all periods prior to the Closing have been filed and paid.

7.9 **No Material Adverse Change.** No event or circumstance shall have occurred that would constitute an FYI Material Adverse Effect.

8. CONDITIONS PRECEDENT TO OBLIGATIONS OF FYI AND NEWCO

The obligations of FYI and Newco with respect to actions to be taken on the Closing Date are subject to the satisfaction or waiver on or prior to the Closing Date of all of the following conditions, except that no such waiver shall be deemed to affect the survival of the representations and warranties of the Company and the Shareholders contained in Section 5 hereof.

8.1 **Representations and Warranties: Performance of Obligations.** All of the representations and warranties of the Shareholders and the Company contained in this Agreement shall be true and correct as of the Closing Date; and each and all of the terms, covenants and conditions of this Agreement to be complied with and performed by the Shareholders and the Company on or before the Closing Date shall have been duly complied with and performed.

8.2 **Satisfaction.** All actions, proceedings, instruments and documents required to carry out this Agreement or incidental hereto and all other related legal matters shall be reasonably satisfactory to each of FYI and Newco and their counsel.

8.3 **No Litigation.** No action or proceeding before a court or any other Agency shall have been instituted or threatened to restrain or prohibit the merger of the Company with and into Newco and no Agency shall have taken any other action or made any request of FYI as a result of which the management of FYI or Newco deems it inadvisable to proceed with the transactions hereunder.

8.4 **Examination of Final Financial Statements.** Prior to the Closing Date, FYI shall have had sufficient time to review the unaudited balance sheets of the Company for the fiscal month ended July 31, 1997 and the unaudited statements of income, cash flows and retained earnings of the Company for the fiscal month ended July 31, 1997, disclosing no material adverse change in the financial condition thereof or the results of its operations from the financial statements as of March 31, 1997.

8.5 **Repayment of Indebtedness and Termination of Lease Obligations.** Prior to the Closing Date, the Shareholders shall have (i) repaid the Company in full all amounts owing by the Shareholders to the Company and (ii) terminated its lease for the real property located at 6039 Collins Avenue, Apartment 1005, Miami Beach, Florida and for each of the motor vehicles leased by the Company or with respect to which the Company has any liability or obligation.

8.6 **Insurance.** FYI and Newco shall be named as an additional named insured on all of the insurance policies of the Company.

8.7 **Shareholder Releases.** Each of the Shareholders shall have delivered to FYI immediately prior to the Closing Date an instrument dated the Closing Date in substantially the form of Annex V releasing the Company from any and all claims of the Shareholder against the Company and obligations of the Company to the Shareholder, except for items specifically

identified on Schedule 8.7 as being claims of or obligations to the Shareholder and continuing obligations to Shareholder relating to his or her employment by the Surviving Corporation.

8.8 **Termination of Related Party Agreements.** All existing agreements between the Company and the Shareholders or business or personal affiliates of the Company or the Shareholders and all existing bonus and incentive plans and arrangements of the Company, other than those set forth on Schedule 8.8, shall have been cancelled or terminated.

8.9 **Opinion of Counsel.** FYI shall have received an opinion from Holland & Knight, LLP, counsel to the Company and the Shareholders, dated the Closing Date, in the form annexed hereto as Annex VI.

8.10 **Employment Agreements.** The Shareholders shall have executed and delivered to FYI and Newco the Employment Agreements.

8.11 **Lock-Up Agreements.** Each of the Shareholders shall have executed and delivered to FYI and Newco a Lock-Up Agreement in substantially the form annexed hereto as Annex VII (the "Lock-Up Agreement") with respect to the shares of FYI Stock to be acquired thereby pursuant to Section 2 hereof containing the Shareholder's undertakings as set forth in Section 11.1 hereof.

8.12 **Escrow Agreement.** The Shareholders shall have executed and delivered to the Escrow Agent and FYI the Escrow Agreement.

8.13 **Broker Release.** Simultaneous with the Closing, each broker or agent identified on Schedule 12.6 shall have executed and delivered to FYI and Newco an instrument dated the Closing Date in substantially the form set forth on such Schedule 12.6 or in such other form as shall be reasonably satisfactory to FYI and Newco releasing the Company, FYI and Newco from any and all claims of such broker or agent with respect to fees, commissions and other amounts and expenses thereof that may be payable thereto in connection with the transactions set forth in this Agreement.

8.14 **Consents and Approvals.** All necessary consents of and filings with any Agency or any third party relating to the consummation of the transactions contemplated herein shall have been obtained and made and no action or proceeding shall have been instituted or threatened to restrain or prohibit the Merger and no Agency shall have taken any other action or made any request of FYI or Newco as a result of which either FYI or Newco deems it inadvisable to proceed with the transactions hereunder.

8.15 **Release of Financing Statements.** The Company shall have obtained and prepared for filing in the appropriate jurisdictions Termination Statements properly executed by any parties holding a security interest or other Encumbrance with respect to the Company, the Company Stock or the assets of the Company.

8.16 **Good Standing Certificates.** The Company shall have delivered to FYI a certificate, dated as of a date not more than ninety (90) days prior to the Closing Date, duly issued by the appropriate governmental authority in the state of incorporation of the Company

and in each state, if any, in which the Company is authorized to do business, showing that the Company is in good standing and authorized to do business and that all state franchise and/or income tax returns and taxes for all periods prior to the Closing have been filed and paid.

8.17 **Closing Under Related Agreement.** Simultaneously with the Closing, FYI and QCS Inet Acquisition Corp. shall have consummated the transactions contemplated under that certain Agreement and Plan of Reorganization dated of even date herewith by and among FYI, QCS Inet Acquisition Corp., QCS Inet, Inc., Eduardo A. Leal, Myrna T. Leal, Fernando R. Leal and Fernando Carvajal.

8.18 **Approval of Board of Directors of FYI.** The Board of Directors of FYI shall have approved the Merger and the performance by FYI of its obligations as set forth under this Agreement.

8.19 **No Material Adverse Effect.** No event or circumstance shall have occurred that would constitute a Material Adverse Effect.

9. COVENANTS OF THE PARTIES

9.1 **Permitted Payments of Compensation by the Company.** Each of FYI and Newco acknowledges and agrees that from and after March 31, 1997 and prior to the Effective Time of the Merger, the Company may pay in a manner consistent with its past business practices, compensation for services consisting of salaries to the Shareholders not to exceed the sum of \$2,307.69 per Shareholder per pay period and the amounts reflected on Schedule 5.26. The parties to this Agreement further acknowledge and agree that the Company shall retain and shall not distribute to the Shareholders any amounts after the date of this Agreement.

9.2 **Preservation of Tax and Accounting Treatment.** After the Closing Date, FYI shall not and shall not permit any of the FYI Subsidiaries to undertake any act that would jeopardize the tax-free status of the reorganization of the Company, including without limitation the following:

- (i) The retirement or reacquisition, directly or indirectly, of all or part of the FYI Stock issued in connection with the transactions contemplated hereby;
- (ii) The entering into of financial arrangements for the benefit of the Shareholders in their capacities as such;
- (iii) The disposition of any material part of the assets of the Company within the two (2) years following the Closing Date except in the ordinary course of business or to eliminate duplicate services or excess capacity;
- (iv) The discontinuance of the historic business of the Company; and
- (v) The issuance of additional shares of Newco stock that would result in FYI losing control of Newco within the meaning of Section 368(c) of the Code.

9.3 Preparation and Filing of Tax Returns.

(a) Each party hereto shall, and shall cause its subsidiaries and affiliates to, provide to each of the other parties hereto such cooperation and information as any of them reasonably may request in filing any return, amended return or claim for refund, determining a liability for Taxes or a right to refund of Taxes or in conducting any audit or other proceeding in respect of Taxes. Such cooperation and information shall include providing copies of all relevant portions of relevant returns, together with relevant accompanying schedules and relevant work papers, relevant documents relating to rulings or other determinations by taxing authorities and relevant records concerning the ownership and tax basis of property, which such party may possess. Each party shall make its employees reasonably available on a mutually convenient basis at its cost to provide explanation of any documents or information so provided. Subject to the preceding sentence, each party required to file returns pursuant to this Agreement shall bear all costs of filing such returns.

(b) The Shareholders shall have responsibility for the conduct of any audit of the Company of any taxable period ending on or prior to the Closing Date; provided, however, that in the event that the Shareholders receive notice of a claim from the Internal Revenue Service or any other taxing authority the Shareholders shall promptly, but in any event within five (5) business days, notify FYI and the Surviving Corporation of such claim and of any action taken or proposed to be taken. In the event FYI and the Surviving Corporation wish to participate in such audit they may do so at their own cost and expense.

(c) Each of the Company, Newco, FYI and the Shareholders shall comply with the tax reporting requirements of Section 1.368-3 of the Treasury Regulations promulgated under the Code, and shall treat the transaction as a tax-free reorganization under Section 368(a) of the Code unless otherwise required by law.

9.4 Company Names. The Shareholders acknowledge and agree that the names "Edle Enterprise Inc.", "QCS Interactive, Inc.," "Quality Copy Service" or any derivations thereof, are important elements of the Company's business and goodwill and covenants that following the Closing Date neither of such Shareholders shall conduct a business utilizing the above-described names without the prior written consent of the Surviving Corporation.

9.5 Stock Options. No later than thirty (30) days following the Closing, FYI shall grant to employees of the Surviving Corporation as set forth on Schedule 9.5 nonqualified stock options to acquire an aggregate of eight thousand (8,000) shares of FYI Stock in minimum lots of one thousand (1,000) shares in accordance with the terms of FYI's 1995 Stock Option Plan (the "Stock Option Plan"), with such options to have a per share exercise price equal to the Fair Market Value (as defined in the Stock Option Plan) per share on the date of grant and to vest in twenty percent (20%) increments on each of the first through fifth anniversaries of the date of grant.

9.6 Receivables Guaranteed. The Shareholders jointly and severally warrant to FYI, Newco and the Surviving Corporation that all accounts receivable of the Company as of the

Effective Date, net of reserves therefor as set forth in the Financial Statements (the "Receivables"), will be collected by the Surviving Corporation in the aggregate full face amount thereof no later than March 31, 1999. If the Surviving Corporation shall fail to collect the aggregate full face amount of the Receivables set forth in the Company's Financial Statements by March 31, 1999, then (i) the Shareholders may acquire the uncollected Receivables by payment to the Surviving Corporation of an amount in cash equal to such uncollected Receivables on or before March 31, 1999 or (ii) the Surviving Corporation may retain an amount of FYI Stock equal to the sum of all such uncollected Receivables from the FYI Stock retained by FYI and the Surviving Corporation as provided for in Section 3.1(a) hereof, and if the amount of FYI Stock retained by FYI and the Surviving Corporation pursuant to Section 3.1(a) is not sufficient to compensate the Surviving Corporation for such uncollected Receivables (based upon the then-fair market value of such shares of FYI Stock as determined by the closing price for such shares on the Nasdaq National Market on March 31, 1999), the Surviving Corporation may seek indemnification against the Shareholders for such shortfall in accordance with Section 10 hereof. The Surviving Corporation shall provide written notice to Shareholders on or before March 31, 1999 as to which alternative set forth in the foregoing sentence it has elected with respect to such uncollected Receivables. Proceeds from Receivables collected after March 31, 1999 and for which the Surviving Corporation has received payment under this Section 2.6 shall be promptly and in any event within five (5) business days of collection delivered by the Surviving Corporation to the Shareholders.

9.7 Quality Copy Service, Inc. Dissolution. The Shareholders and the Company shall cause the name of Quality Copy Service, Inc. to be changed to a name reasonably satisfactory to the Surviving Corporation within twenty (20) days following the Closing, and shall further cause Quality Copy Service, Inc. to be dissolved pursuant to the applicable provisions of the Florida Business Corporation Act within one year following the Closing and shall furnish FYI and Newco with a certificate of dissolution to such effect.

9.8 Assumption of Guarantee Obligations. FYI and the Surviving Corporation shall use its reasonable best efforts to obtain the release on or before the Closing Date of the personal guarantee obligations of the Shareholders with respect to the Contracts set forth in Schedule 9.8 hereto and shall assume the guarantee obligations of the Shareholders under such Contracts with respect to acts or omissions of FYI and the Surviving Corporation on and after the Closing Date if such assumption is required in order to release the Shareholders from their guarantee obligations following the Closing. In the event that the FYI and the Surviving Corporation are unable to secure the release of the Shareholders from their guarantee obligations under the Contracts set forth on Schedule 9.8, FYI and the Surviving Corporation shall jointly and severally indemnify and hold harmless the Shareholders from any and all damages, losses, claims and expenses incurred thereby under such guarantees and arising from or based upon the operation of the Surviving Corporation subsequent to the Closing Date.

9.9 Allocation of Certain Costs and Revenues. Each of FYI, Newco, the Company, Edle of Puerto Rico and the Shareholders acknowledge and agree that from and after the Closing Date the revenues, costs and expenses of each of Edle and Edle of Puerto Rico with respect to its records release business shall remain with and be allocated to each of Edle and Edle of Puerto Rico and that the revenues, costs and expenses of each of Edle and Edle of Puerto Rico with respect to its disability business shall be allocated to QCS Inet Acquisition Corp. pursuant to the

terms of management agreements to be entered into by and between the Surviving Corporation, Edle of Puerto Rico and QCS Inet Acquisition Corp. in substantially the forms attached hereto as Schedule 2.2.

9.10 No Assumption of Certain Liabilities. The parties to this Agreement acknowledge and agree that notwithstanding anything in this Agreement or in the agreement described in Section 8.17 hereof, in no event shall FYI, Newco or the Surviving Corporation assume or otherwise be responsible for any liabilities of Quality Copy Service, Inc., including without limitation any liabilities related to any actions, suits, proceedings, investigations or grievances related to Quality Copy Service, Inc., except that FYI and the Surviving Corporation shall bear the direct costs (and only such direct costs) of the coupon program to be undertaken in connection with the settlement of the class action lawsuit described on Schedule 5.16 hereof.

9.11 Calculation of Certain Accruals. The Shareholders acknowledge and agree that they shall review and calculate the amount of the accruals not made in the Financial Statements in accordance with GAAP as set forth on Schedule 5.5(a) hereto and shall provide the Surviving Corporation within thirty (30) days following the Closing with a statement setting forth in reasonable detail the type and dollar amount of such accruals.

10. INDEMNIFICATION

The Shareholders, FYI and Newco each make the following covenants that are applicable to them, respectively.

10.1 FYI Losses.

(a) Each of the Shareholders jointly and severally agrees to indemnify and hold harmless FYI, Newco and the Surviving Corporation, and their respective directors, officers, employees, representatives, agents and attorneys from, against and in respect of any and all FYI Losses (as defined below) suffered, sustained, incurred or required to be paid by any of them by reason of (i) any representation or warranty made by the Company or the Shareholders in or pursuant to this Agreement (including, without limitation, the representations and warranties contained in any certificate delivered pursuant hereto) being untrue or incorrect in any respect; (ii) any liability arising from or based upon the operation of the Company through the Closing Date not (x) disclosed to FYI pursuant to this Agreement and (y) accrued for on the Financial Statements; (iii) the termination of or withdrawal by the Company or any Group Member from any employee pension benefit plan, as defined in Section 3(2)(A) of ERISA that is maintained pursuant to a collective bargaining agreement under which more than one employer makes contributions and to which the Company or any Group Member is then making or accruing an obligation to make contributions or has within the preceding five (5) plan years made contributions; (iv) the items described in Schedule 5.8 or Schedule 5.16 hereof to the extent not accrued for on the Financial Statements and except in any instance and to the extent FYI Losses result from the negligence or misconduct of FYI, Newco or the Surviving Corporation; (v) liabilities for Taxes as a result of the conversion of the Surviving Corporation from a cash basis to an accrual basis of accounting after the Merger; (vi) any failure by the Company or any Shareholder to observe or perform its or

his or her covenants and agreements set forth in this Agreement or in any other agreement or document executed by it or him or her in connection with the transactions contemplated hereby; or (vii) any liability arising from or based upon the required consents set forth on Schedule 5.16 hereof and not obtained prior to the Closing Date.

(b) "FYI Losses" shall mean all damages (including, without limitation, amounts paid in settlement with the Shareholders' consent, which consent may not be unreasonably withheld), losses, obligations, liabilities, claims, deficiencies, costs and expenses (including, without limitation, reasonable attorneys' fees), penalties, fines, interest and monetary sanctions, including, without limitation, reasonable attorneys' fees and costs incurred to comply with injunctions and other court and Agency orders, and other costs and expenses incident to any suit, action, investigation, claim or proceeding or to establish or enforce the rights of FYI, Newco and the Surviving Corporation or such other persons to indemnification hereunder.

10.2 Environmental Indemnity.

(a) Each of the Shareholders jointly and severally agrees to indemnify and hold harmless FYI, Newco and the Surviving Corporation, and their respective directors, officers, employees, representatives, agents and attorneys from, against and in respect of any and all Environmental Costs (as defined below), arising in any manner in connection with a breach of any representation or warranty set forth in Section 5.11 hereof.

(b) The obligations of this Section 10.2 shall include the obligation to defend the Indemnified Parties (as defined below) against any claim or demand for Environmental Costs, the obligation to pay and discharge any Environmental Costs imposed on Indemnified Parties, and the obligation to reimburse Indemnified Parties for any Environmental Costs incurred or suffered, provided in each instance that the claim for Environmental Costs arises in connection with a matter for which Indemnified Parties are entitled to indemnification under this Agreement. The obligation to reimburse the Indemnified Parties shall also include the costs and expenses (including, without limitation, reasonable attorneys' fees) to establish or enforce the rights of FYI, Newco and the Surviving Corporation or such other persons to indemnification hereunder.

(c) "Environmental Costs" shall mean any of the following that arise in any manner regardless of whether based in contract, tort, implied or express warranty, strict liability, Environmental Requirement or otherwise: all liabilities, losses, judgments, damages, punitive damages, consequential damages, treble damages, costs and expenses (including, without limitation, reasonable attorneys' fees and fees and disbursements of environmental consultants, all costs related to the performance of any required or necessary assessment, investigation, remediation, response, containment, closure, restoration, repair, cleanup or detoxification of any impacted property, the preparation and implementation of any maintenance, monitoring, closure, remediation, abatement or other plans required by any governmental agency or by Environmental Requirements and any other costs recovered or recoverable under any Environmental Requirement), fines, penalties, or monetary sanctions. Environmental Costs shall include without limitation: (i) damages for personal injury or death, or injury to property or to natural resources; (ii)

damage to real property or damage resulting from the loss of the use of all or any part of the property, including but not limited to business loss; and (iii) the cost of any demolition, rebuilding or repair of any property required by Environmental Requirements or necessary to restore such property to its condition prior to damage caused by an environmental condition or by the remediation of an environmental condition.

10.3 Employee Compensation and Benefits. Each of the Shareholders jointly and severally agrees to indemnify and hold FYI, Newco and the Surviving Corporation, and their respective directors, officers, employees, representatives, agents and attorneys harmless from and against any and all claims made by employees of the Company, to the extent not otherwise covered by insurance, regardless of when made, for wages, salaries, bonuses, pension, workmen's compensation, medical insurance, disability, vacation, severance, pay in lieu of notice, sick benefits or other compensation or benefit arrangements to the extent the same are based on employment service rendered to the Company prior to the Closing Date or injury or sickness occurring prior to the Closing Date and are (i) not reserved for on the Financial Statements and (ii) not disclosed to FYI pursuant to the Agreement prior to the Closing (collectively, "Employee Claims").

10. Shareholder Losses.

(a) FYI and Newco jointly and severally agree to indemnify and hold harmless the Shareholders, and their respective agents, and attorneys, for and in respect of any and all Shareholder Losses (as defined below) suffered, sustained, incurred or required to be paid by any of the Shareholders by reason of (i) any representation or warranty made by FYI or Newco in or pursuant to this Agreement (including, without limitation, the representations and warranties contained in any certificate delivered pursuant hereto) being untrue or incorrect in any respect; (ii) any failure by FYI or Newco to observe or perform its covenants and agreements set forth in this Agreement or any other agreement or document executed by it in connection with the transactions contemplated hereby; or (iii) any liability arising from or based upon the operation of the Company subsequent to the Closing Date, other than as a result of the breach of a representation or warranty set forth in Section 5 hereof, except in any instance and to the extent Shareholder Losses result from the negligence or misconduct of the Shareholders or any of them.

(b) "Shareholder Losses" shall mean all damages (including, without limitation, amounts paid in settlement with the consent of FYI and Newco, which consent may not be reasonably withheld), losses, obligations, liabilities, claims, deficiencies, costs and expenses (including, without limitation, reasonable attorneys' fees), penalties, fines, interest and monetary sanctions, including, without limitation, reasonable attorneys' fees and costs incurred to comply with injunctions and other court and Agency orders, and other costs and expenses incident to any suit, action, investigation, claim or proceeding or to establish or enforce the right of the Shareholders or such other persons to indemnification hereunder.

10.5 Indemnification for Certain Tax Matters. Except for tax liabilities accrued for on the Financial Statements and disclosed on Schedule 10.5, the Shareholders shall indemnify, defend and hold harmless the Surviving Corporation from and against all Tax liabilities of the

Company incurred or accrued prior to the Effective Date and the liability of the Company or the Surviving Corporation with respect to all Taxes, including interest and additions to Taxes, resulting from any final determination (or settlement) that the Merger of the Company into Newco fails to qualify as a tax-free transaction as to the Company and/or the Surviving Corporation pursuant to Section 368(a)(1)(A) and Section 368(a)(2)(D) of the Code as a result of any breach of a representation, warranty or covenant of the Company or a Shareholder. FYI and the Surviving Corporation shall indemnify, defend and hold harmless the Shareholders from and against all Tax liabilities of the Company and/or the Surviving Corporation incurred or accrued on or after the Effective Date and the liability of the Shareholders, the Company and the Surviving Corporation with respect to all Taxes resulting from any final determination (or settlement) that the Merger of the Company into Newco fails to qualify as a tax-free transaction as to the Shareholders, the Company and/or the Surviving Corporation pursuant to Section 368(a)(1)(A) and Section 368(a)(2)(D) of the Code as a result of any breach of a representation, warranty or covenant by FYI or Newco.

10.6 Notice of Loss. Except to the extent set forth in the next sentence, a party to the Agreement will not have any liability under the indemnity provisions of this Agreement with respect to a particular matter unless a notice setting forth in reasonable detail the breach or other matter which is asserted has been given to the Indemnifying Party (as defined below) and, in addition, if such matter arises out of a suit, action, investigation, proceeding or claim, such notice is given promptly, but in any event within thirty (30) days after the Indemnified Party (as defined below) is given notice of the claim or the commencement of the suit, action, investigation or proceeding. Notwithstanding the preceding sentence, failure of the Indemnified Party to give notice hereunder shall not release the Indemnifying Party from its obligations under this Section 10, except to the extent the Indemnifying Party is actually prejudiced by such failure to give notice. With respect to FYI Losses, Environmental Costs, Employee Claims and the matters described in the first sentence of Section 10.5, the Shareholders shall be the Indemnifying Party and FYI and Newco and their respective directors, officers, employees, representatives, agents and attorneys shall be the Indemnified Party. With respect to Shareholder Losses and the matters described in the second sentence of Section 10.5, FYI and Newco shall be the Indemnifying Party and the Shareholders and their respective agents and attorneys shall be the Indemnified Party.

10.7 Right to Defend. Upon receipt of notice of any suit, action, investigation, claim or proceeding for which indemnification might be claimed by an Indemnified Party, the Indemnifying Party shall be entitled to defend, contest or otherwise protect against any such suit, action, investigation, claim or proceeding at its own cost and expense, and the Indemnified Party must cooperate in any such defense or other action. The Indemnified Party shall have the right, but not the obligation, to participate at its own expense in defense thereof by counsel of its own choosing, but the Indemnifying Party shall be entitled to control the defense unless the Indemnified Party has relieved the Indemnifying Party from liability with respect to the particular matter or the Indemnifying Party fails to assume defense of the matter. In the event the Indemnifying Party shall fail to defend, contest or otherwise protect in a timely manner against any such suit, action, investigation, claim or proceeding, the Indemnified Party shall have the right, but not the obligation, thereafter to defend, contest or otherwise protect against the same and make any compromise or settlement thereof and recover the entire cost thereof from the Indemnifying Party including, without limitation, reasonable attorneys' fees, disbursements and all amounts paid as a result of such suit, action, investigation, claim or proceeding or the

compromise or settlement thereof, provided, however, that the Indemnified Party must send a written notice to the Indemnifying Party of any such proposed settlement or compromise, which settlement or compromise the Indemnifying Party may reject, in its reasonable judgment, within thirty (30) days of receipt of such notice. Failure to reject such notice within such thirty (30) day period shall be deemed an acceptance of such settlement or compromise. The Indemnified Party shall have the right to effect a settlement or compromise over the objection of the Indemnifying Party; provided, that if (i) the Indemnifying Party is contesting such claim in good faith or (ii) the Indemnifying Party has assumed the defense from the Indemnified Party, the Indemnified Party waives any right to indemnity therefor. If the Indemnifying Party undertakes the defense of such matters, the Indemnified Party shall not, so long as the Indemnifying Party does not abandon the defense thereof, be entitled to recover from the Indemnifying Party any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than the reasonable costs of investigation undertaken by the Indemnified Party with the prior written consent of the Indemnifying Party.

10.8 Cooperation. Each of FYI, Newco, the Surviving Corporation, the Company and the Shareholders, and each of their affiliates, successors and assigns shall cooperate with each other in the defense of any suit, action, investigation, proceeding or claim by a third party and, during normal business hours, shall afford each other access to their books and records and employees relating to such suit, action, investigation, proceeding or claim and shall furnish each other all such further information that they have the right and power to furnish as may reasonably be necessary to defend such suit, action, investigation, proceeding or claim, including, without limitation, reports, studies, correspondence and other documentation relating to Environmental Protection Agency, Occupational Safety and Health Administration and Equal Employment Opportunity Commission matters.

10.9 Satisfaction of Claims. FYI and Newco shall have the option of recovering amounts owing thereto pursuant to Sections 10.1, 10.2 and 10.3 for FYI Losses, Environmental Costs and Employee Claims (i) from the Shareholders or (ii) from the funds held by the Escrow Agent as described in Section 3.1(a) or (iii) by use of the Setoff pursuant to Annex II.

10.10 Limitations of Indemnification; Proportionate Payments. The persons or entities indemnified pursuant to this Section 10 shall not assert any claim for indemnification hereunder until such time as and solely to the extent that the aggregate of all claims that such persons may have against the Indemnifying Parties shall exceed \$31,450 with respect to all claims, but upon reaching such amount, from the first dollar of all claims. Any amounts paid to an Indemnified Party pursuant to this Section 10 shall be paid fifty-one percent (51%) in shares of FYI Stock, valued at the closing price per share on the Closing Date, and forty-nine percent (49%) in cash. Notwithstanding any other provision of this Agreement, no Indemnifying Party shall be obligated to indemnify and hold harmless an Indemnified Party with respect to any claim for indemnification hereunder exceeding the aggregate consideration set forth on Annex II hereto.

11. SECURITIES ACT REPRESENTATIONS AND TRANSFER RESTRICTIONS

The FYI Stock acquired by the Shareholders pursuant to this Agreement is being acquired solely for their own accounts, for investment purposes only, and with no present intention of distributing, selling or otherwise disposing of it in connection with a distribution.

11.1 Transfer Restrictions. For a period of two (2) years from the Closing with respect to fifty-one percent (51%) of the shares of FYI Stock received by the Shareholder at the Effective Time of the Merger and for a period of three (3) months from the Closing with respect to the balance of the shares of FYI Stock received by the Shareholder at the Effective Time of the Merger, no Shareholder shall (a) sell, assign, exchange, transfer, distribute or otherwise dispose of (i) any of such shares of FYI Stock received by the Shareholder, or (ii) any interest (including, without limitation, an option to buy or sell) in any such shares of FYI Stock, in whole or in part, and no such attempted transfer shall be treated as effective for any purpose; or (b) engage in any transaction, whether or not with respect to any shares of FYI Stock or any interest therein, the intent or effect of which is to reduce the risk of owning the shares of FYI Stock acquired pursuant to Section 2 hereof (including, by way of example and not limitation, engaging in put, call, short-sale, straddle or similar market transactions). The certificates evidencing the FYI Stock delivered to the Shareholders pursuant to Section 3 of this Agreement will bear a legend substantially in the form set forth below and containing such other information as FYI may deem necessary or appropriate:

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, EXCHANGED, TRANSFERRED, DISTRIBUTED OR OTHERWISE DISPOSED OF, AND THE ISSUER SHALL NOT BE REQUIRED TO GIVE EFFECT TO ANY ATTEMPTED SALE, ASSIGNMENT, EXCHANGE, TRANSFER, DISTRIBUTION OR OTHER DISPOSITION PRIOR TO AUGUST 31, 1999 WITH RESPECT TO 51% OF THE SHARES/NOVEMBER 30, 1997 WITH RESPECT TO 49% OF THE SHARES. UPON THE WRITTEN REQUEST OF THE HOLDER OF THIS CERTIFICATE, THE ISSUER AGREES TO REMOVE THIS RESTRICTIVE LEGEND (AND ANY STOP ORDER PLACED WITH THE TRANSFER AGENT) AFTER THE DATE SPECIFIED ABOVE.

THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED IN A TRANSACTION TO WHICH RULE 145 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, APPLIES. THESE SHARES MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE TERMS OF SUCH RULE.

Each of the Shareholders will execute and deliver to FYI prior to or at the Closing a Lock-Up Agreement containing the foregoing agreements.

12. GENERAL

12.1 Cooperation. The Company, the Shareholders, FYI and Newco shall each deliver or cause to be delivered to the other on the Closing Date, and at such other times and places as shall be reasonably agreed to, such additional instruments as the other may reasonably request

for the purpose of carrying out this Agreement. The Company will cooperate and use its reasonable efforts to have the present officers, directors and employees thereof cooperate with FYI on and after the Closing Date in furnishing information, evidence, testimony and other assistance in connection with any Tax return filing obligations, actions, proceedings, arrangements or disputes of any nature with respect to matters pertaining to all periods prior to the Closing Date.

12.2 Survival of Covenants, Agreements, Representations and Warranties.

(a) Covenants and Agreements. All covenants and agreements made hereunder or pursuant hereto or in connection with the transactions contemplated hereby shall survive the Closing and shall continue in full force and effect thereafter according to their terms without limit as to duration.

(b) Representations and Warranties. All representations and warranties contained herein shall survive the Closing and shall continue in full force and effect thereafter for a period of three (3) years following the Closing, except that (a) the representations and warranties contained in Section 5.8 and Section 6.12 hereof shall survive until the earlier of (i) the expiration of the applicable periods (including any extensions) of the respective statutes of limitation applicable to the payment of the Taxes to which such representations and warranties relate without an assertion of a deficiency in respect thereof by the applicable taxing authority or (ii) the completion of the final audit and determinations by the applicable taxing authority and final disposition of any deficiency resulting therefrom, (b) the representations and warranties contained in Section 5.11 hereof shall survive for a period of five (5) years following the Closing, (c) the representations and warranties contained in Section 5.19 hereof shall survive until the expiration of the applicable period of the statutes of limitation applicable to ERISA matters, and (d) the representations and warranties contained in Sections 5.1, 5.2 and 5.3 and Sections 6.1, 6.2, 6.3 and 6.4 shall survive indefinitely.

(c) Claims Made Prior to Expiration. Notwithstanding the foregoing survival periods set forth in this Section 12.2, the termination of a survival period shall not affect the rights of an Indemnified Party in respect of any claim made by any party with specificity, in good faith and in writing to the Indemnifying Party in accordance with Sections 10.6 and 12.8 hereof prior to the expiration of the applicable survival period.

12.3 Successors and Assigns. This Agreement and the rights of the parties hereunder may not be assigned (except by operation of law) and shall be binding upon and shall inure to the benefit of the parties hereto, the successors of FYI, and the heirs and legal representatives of the Shareholders.

12.4 Entire Agreement. This Agreement (including the schedules, exhibits and annexes attached hereto) and the documents delivered pursuant hereto constitute the entire agreement and understanding among the Shareholders, the Company, Newco and FYI, and supersede any prior agreement and understanding relating to the subject matter of this Agreement. This Agreement, upon execution, constitutes a valid and binding agreement of the parties hereto enforceable in accordance with its terms and this Agreement and the Annexes hereto may be

modified or amended only by a written instrument executed by the Shareholders, the Company, Newco and FYI, acting through their respective officers, duly authorized by their respective Boards of Directors.

12.5 Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

12.6 Brokers and Agents. Except as disclosed on Schedule 12.6, each party represents and warrants that it employed no broker or agent in connection with this transaction and agrees to indemnify the other against all loss, cost, damages or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such indemnifying party.

12.7 Expenses. Whether or not the transactions herein contemplated shall be consummated, FYI and Newco will pay the fees, expenses and disbursements of FYI and Newco and their respective agents, representatives, accountants and counsel incurred in connection with the subject matter of this Agreement and any amendments thereto, including all costs and expenses incurred in the performance and compliance with all conditions to be performed by FYI under this Agreement. In the event that the transactions herein contemplated are consummated, the Shareholders will pay from personal funds and not from the funds of the Company, the fees, expenses and disbursements of its agents, representatives, accountants, counsel and other business advisors incurred in connection with the subject matter of this Agreement. The Shareholders acknowledge that they, and not the Company or FYI, will pay all taxes due upon receipt of the consideration payable to the Shareholders pursuant to Section 2 hereof, and all sales, use, real property, transfer, recording, gains, stock transfer and other similar fees in connection with the transactions contemplated by this Agreement.

12.8 Notices. All notices of communication required or permitted hereunder shall be in writing and may be given by (a) depositing the same in United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, (b) delivering the same in person to an officer or agent of such party, or (c) telecopying the same with electronic confirmation of receipt.

(i) If to FYI or Newco, addressed to them at:

F.Y.I. Incorporated
TBC Acquisition Corp. dba Quality Copy Service
3232 McKinney Avenue, Suite 900
Dallas, Texas 75204
Telecopy No.: (214) 953-7556
Attn: Margot T. Leberberg, Esq.

with copies to:

Locke Purnell Rain Harrell
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telecopy No.: (214) 740-8800
Attn: Charles C. Reeder, Esq.

(ii) If to the Shareholders, addressed thereto at the address set forth on Annex I, with copies to counsel as set forth below;

(iii) If to the Company, addressed to:

Edle Enterprise Inc., d/b/a Quality Copy Service
and/or
QCS Interactive, Inc.
1150 N.W. 72nd Avenue, Suite 600
Miami, Florida 33126-1936
Telecopy No.: (305) 591-4439
Attn: Mr. Eduardo A. Leal

and marked "Personal and Confidential"

with copies to:

Holland & Knight LLP
701 Brickell Avenue
Miami, Florida 33131
Telecopy No.: (305) 789-7799
Attn: Lee F. Lasris, Esq.

or to such other address or counsel as any party hereto shall specify pursuant to this Section 12.8 from time to time.

12.9 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Texas.

12.10 Exercise of Rights and Remedies. Except as otherwise provided herein, no delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

12.11 Reformation and Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as to most nearly retain the intent of the parties, and if

such modification is not possible, such provision shall be severed from this Agreement, and in either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

12.12 **Remedies Cumulative.** No right, remedy or election given by any term of this Agreement shall be deemed exclusive but each shall be cumulative with all other rights, remedies and elections available at law or in equity.

12.13 **Captions.** The headings of this Agreement are inserted for convenience only, shall not constitute a part of this Agreement or be used to construe or interpret any provision hereof.

12.14 **Tax Structure.** It is the intent of the parties that the transaction contemplated by this Agreement be structured as a tax-free reorganization under Section 368(a) of the Code.

12.15 **Attorneys' Fees.** In the event of a dispute arising out of this Agreement, the prevailing party, whether by way of prosecution or defense, shall be entitled to all of its costs and expenses including, but not limited to, attorneys' or counsels' (including paralegals' and similar persons') fees and expenses, and accountant's fees and expenses, whether in a judicial, bankruptcy, reorganization, administrative, arbitration or other proceeding, including appellate proceedings, and any proceedings instituted to collect or enforce any judgment or other relief granted or awarded whether such fees or expenses arise before proceedings are commenced or after entry of a final judgment.

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

F.Y.I. INCORPORATED

By: _____
Name:
Title:

TBC ACQUISITION CORP.

By: _____
Name:
Title:

EDLE ENTERPRISE INC.

By: _____
Name:
Title:

QCSINTERACTIVE, INC.

By: _____
Name:
Title:

EDLE ENTERPRISES OF
PUERTO RICO, INC.

By: _____
Name:
Title:

THE SHAREHOLDERS:

Eduardo A. Leal

Myrna T. Leal