V09838

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MERGER OR SHARE EXCHANGE

SENIOR HEALTH DIVISION, INC.

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Merger
4/9/04
DC

FLORIDA DEPARTMENT OF STATE
Glenda E. Hood
Secretary of State

April 8, 2004

SENIOR HEALTH DIVISION, INC.
2536 COUNTRYSIDE BLVD
4TH FLOOR
CLEARWATER, FL 33763US

SUBJECT: SENIOR HEALTH DIVISION, INC.
REF: V09838

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

Please add an exhibit indicating the titles, names, and addresses of the officers/directors of the surviving corporation.

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

If you have any questions concerning the filing of your document, please call (850) 245-6906.

Darlene Connell
Document Specialist

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ARTICLES OF MERGER
OF

TWG ACQUISITION CORPORATION
(an Indiana corporation)

WITH AND INTO

SENIOR HEALTH DIVISION, INC.
(a Florida corporation)

In compliance with the requirements of the Florida Business Corporation Act (the "FBCA"), the undersigned corporations, desiring to effect a merger (the "Merger"), hereby certify as follows:

FIRST. Surviving Corporation. The name of the corporation surviving the Merger (the "Surviving Corporation") is Senior Health Division, Inc., a Florida corporation incorporated on January 27, 1992. The name of the Surviving Corporation is not changed by the Merger.

SECOND. Merging Corporation. The name of the other corporation party to the Merger (the "Merging Corporation") is TWG Acquisition Corporation, an Indiana corporation incorporated on March 26, 2004.

THIRD. Plan of Merger. The Agreement and Plan of Merger, dated as of April 7, 2004 (the "Plan of Merger"), for the Merger of the Merging Corporation with and into the Surviving Corporation, setting forth the information required by Florida Statutes § 607.1101 to be set forth therein, is attached hereto as Exhibit A and incorporated herein by reference.

FOURTH. Effective Time of Merger. The effective time of the Merger hereby effected shall be immediately upon the later to occur of (a) the filing of these Articles of Merger with the office of the Department of State of the State of Florida or (b) the filing of Articles of Merger with the office of the Secretary of State of the State of Indiana.

FIFTH. Adoption by Surviving Corporation. By a Unanimous Written Consent dated as of April 6, 2004, the Board of Directors of the Surviving Corporation duly adopted resolutions approving and adopting the Plan of Merger and directing that it be submitted to a vote of, and recommending its approval to, the shareholders of the Surviving Corporation. By a Unanimous Written Consent dated as of April 6, 2004, the holders of 100 shares of the Surviving Corporation's Common Stock, $1.00 par value per share, being all of the shares outstanding and entitled to vote with respect to the Plan of Merger, duly adopted resolutions approving the Plan of Merger in accordance with the FBCA.

SIXTH. Adoption by Merging Corporation. By a Unanimous Written Consent dated as of April 5, 2004, the Board of Directors of the Merging Corporation duly adopted resolutions approving and adopting the Plan of Merger and directing that it be submitted to a vote of, and recommending its approval to, the shareholder of the Merging Corporation. By a Written Consent dated as of April 5, 2004, the holder of 100 shares of the Merging Corporation's Common Stock, $0.01 par value per share, being all of the shares outstanding and entitled to vote with respect to the Plan of Merger, duly adopted resolutions approving the Plan of Merger in accordance with the Indiana Business Corporation Law, as amended (the "IBCL").

SEVENTH. Legal Compliance. The manner of adoption of the Plan of Merger and the vote by which it was adopted by each of the Surviving Corporation and the Merging Corporation constitute full legal compliance by each of them with the FBCA and the IBCL, and their respective Articles of Incorporation and By-Laws.

IN WITNESS WHEREOF, each of the Surviving Corporation and the Merging Corporation has caused these Articles of Merger to be signed on its behalf by its duly authorized officer as of April 7, 2004.

SENIOR HEALTH DIVISION, INC.
A Florida corporation

By _____
Name: Ken Boesch, Jr.
Title: President

TWO ACQUISITION CORPORATION
An Indiana corporation

By _____
Melanie S. Otto
President

SIXTH. Adoption by Merging Corporation. By a Unanimous Written Consent dated as of April 5, 2004, the Board of Directors of the Merging Corporation duly adopted resolutions approving and adopting the Plan of Merger and directing that it be submitted to a vote of, and recommending its approval to, the shareholder of the Merging Corporation. By a Written Consent dated as of April 5, 2004, the holder of 100 shares of the Merging Corporation's Common Stock, $0.01 par value per share, being all of the shares outstanding and entitled to vote with respect to the Plan of Merger, duly adopted resolutions approving the Plan of Merger in accordance with the Indiana Business Corporation Law, as amended (the "IBCL").

SEVENTH. Legal Compliance. The manner of adoption of the Plan of Merger and the vote by which it was adopted by each of the Surviving Corporation and the Merging Corporation constitute full legal compliance by each of them with the FBCA and the IBCL, and their respective Articles of Incorporation and By-Laws.

IN WITNESS WHEREOF, each of the Surviving Corporation and the Merging Corporation has caused these Articles of Merger to be signed on its behalf by its duly authorized officer as of April 7, 2004.

SENIOR HEALTH DIVISION, INC.
A Florida corporation

By _____
Name:
Title:

TWG ACQUISITION CORPORATION
An Indiana corporation

By Melanie S Otto
Melanie S. Otto
President

Exhibit A

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER ("Agreement") is made as of April 7, 2004, by and among TWG Capital, Inc., a Delaware corporation ("Parent"), TWG Acquisition Corporation, an Indiana corporation ("Merger Sub"), Senior Health Division, Inc., a Florida corporation (the "Company"), and Gary Boesch, Ken Boesch Jr., Ken Boesch III and Larry L. Kemp (each, a "Shareholder" and collectively, the "Shareholders").

RECITALS

WHEREAS, the Board of Directors of each of Parent and Merger Sub have deemed it advisable and in the best interests of each entity and its shareholders that Parent acquire the Company;

WHEREAS, the acquisition by Parent of the Company shall be effected by the terms of this Agreement through a merger as outlined below;

WHEREAS, in furtherance thereof, the respective Boards of Directors of Parent, Merger Sub and the Company have adopted or approved this Agreement, pursuant to which Merger Sub will be merged with and into the Company on the terms and subject to the conditions set forth in this Agreement (the "Merger"), with each share of Company Common Stock issued and outstanding immediately prior to the Effective Time being converted into the right to receive the Merger Consideration;

WHEREAS, the parties desire that the Merger shall, for purposes of all Taxes, be treated as a sale by the Company of its assets and properties, and therefore the parties desire to make all filings required with respect thereto, including without limitation the election provided in Section 338(h)(10) of the Internal Revenue Code and applicable Treasury Regulations; and

WHEREAS, prior to the consummation of the Merger, the Company will have transferred to a third Person all of the assets and liabilities of the Company other than the Retained Assets and Liabilities.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

AGREEMENT

1. DEFINITIONS

For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

"Applicable Contract" – any Contract (a) under which the Company has or may acquire any rights, (b) under which the Company has or may become subject to any obligation or liability, or (c) by which the Company or any of the assets owned or used by it is or may become bound.

"Articles of Merger" – as defined in Section 2.3.

"Assets and Liabilities Transfer" – as defined in Section 3.6.

"Assets and Liabilities Transferee" – as defined in Section 3.6.

"Balance Sheet" – as defined in Section 3.4.

"Best Efforts" – the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible.

"Books and Records" – as defined in Section 3.5.

"Breach" – a "Breach" of a representation, warranty, covenant, obligation, or other provision of this Agreement or any instrument delivered pursuant to this Agreement will be deemed to have occurred if there is or has been any inaccuracy in or breach of, or any failure to perform or comply with, such representation, warranty, covenant, obligation, or other provision, and the term "Breach" means any such inaccuracy, breach, failure, claim, occurrence, or circumstance.

"Closing" – as defined in Section 2.2.

"Closing Date" – the date and time as of which the Closing actually takes place.

"Company" – as defined in the first paragraph of this Agreement.

"Company Certificates" – as defined in Section 2.8.

"Consent" – any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

"Contemplated Transactions" – all of the transactions contemplated by this Agreement, including:

(a) the Merger;

(b) the execution, delivery, and performance of the Shareholders' Release;

(c) the execution, delivery and performance of the Escrow Agreement; and

(d) the performance by Parent, Merger Sub, the Company and the Shareholders of their respective covenants and obligations under this Agreement.

"Contract" – any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied) that is legally binding.

"Damages" – as defined in Section 10.2.

"Disclosure Letter" – the disclosure letter delivered by the Company and the Shareholders to Parent and Merger Sub concurrently with the execution and delivery of this Agreement.

"Effective Time" – as defined in Section 2.3.

"Election" – as defined in Section 11.5.

"Encumbrance" – any charge, claim, community property interest, condition, equitable interest, Lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Environment" – soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"Environmental, Health, and Safety Liabilities" – any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to:

(a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products);

(b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law;

(c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("Cleanup") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or any other Person) and for any natural resource damages; or

(d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law.

The terms "removal," "remedial," and "response action" include the types of activities covered by the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., as amended ("CERCLA").

"Environmental Law" – any Legal Requirement that requires or relates to:

(a) advising appropriate authorities, employees, and the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencements of activities, such as resource extraction or construction, that could have significant impact on the Environment;

(b) preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment;

(c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated;

(d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of;

(e) protecting resources, species, or ecological amenities;

(f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances;

(g) cleaning up pollutants that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or

(h) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"ERISA" – the Employee Retirement Income Security Act of 1974 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

"Escrow Agent" – the agent appointed under the Escrow Agreement.

"Escrow Agreement" – as defined in Section 2.8(b).

"Escrow Fund" – the amounts held in escrow pursuant to the Escrow Agreement.

"Facilities" – any real property, leaseholds, or other interests currently or formerly owned or operated by the Company and any buildings, plants, structures, or equipment (including motor vehicles, tank cars, and rolling stock) currently or formerly owned or operated by the Company.

"FBCA" – as defined in Section 2.1

"GAAP" – generally accepted United States accounting principles, applied on a basis consistent with the basis on which the Balance Sheet and the other financial statements referred to in Section 3.4 were prepared.

"Governmental Authorization" – any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" – any:

(a) nation, state, county, city, town, village, district, or other jurisdiction of any nature;

(b) federal, state, local, municipal, foreign, or other government;

(c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal);

(d) multi-national organization or body; or

(e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

"Hazardous Activity" - the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment, or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from the Facilities or any part thereof into the Environment, and any other act, business, operation, or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the Facilities, or that may affect the value of the Facilities or the Company.

"Hazardous Materials" - any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

"IBCL" – as defined in Section 2.1.

"Insurance Contract" – as defined in Section 3.13.

"Intellectual Property Assets" – as defined in Section 3.19.

"IRC" – the Internal Revenue Code of 1986, as amended, or any successor law, and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

"IRS" – the United States Internal Revenue Service or any successor agency, and, to the extent relevant, the United States Department of the Treasury.

"IR5" – as defined in Section 2.8(b).

"Knowledge" – an individual will be deemed to have "Knowledge" of a particular fact or other matter if:

(a) such individual is actually aware of such fact or other matter; or

(b) a prudent individual could be expected to discover or otherwise become aware of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or other matter.

A Person (other than an individual) will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving as a director, officer, partner, executor, or trustee of such Person (or in any similar capacity) has, or at any time had, Knowledge of such fact or other matter.

"Legal Requirement" – any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

"Lien" –any pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction.

"Merger" – as defined in the recitals to this Agreement.

"Merger Consideration" – as defined in Section 2.7.

"Merger Sub" – as defined in the first paragraph of this Agreement.

"Occupational Safety and Health Law" – any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Order" - any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Body or by any arbitrator.

"Ordinary Course of Business" – an action taken by a Person will be deemed to have been taken in the "Ordinary Course of Business" only if:

(a) such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person;

(b) such action is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority); and

(c) such action is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

"Organizational Documents" - (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (e) any amendment to any of the foregoing.

"Parent" – as defined in the first paragraph of this Agreement.

"Person" – any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

"Plan" – as defined in Section 3.09.

"Policies" – the in-force Medicare Supplement and long-term care policies identified on Exhibit 1(a) attached hereto.

"Proceeding" – any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Related Person" – with respect to a particular individual:

(a) each other member of such individual's Family;

(b) any Person that is directly or indirectly controlled by such individual or one or more members of such individual's Family;

(c) any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest; and

(d) any Person with respect to which such individual or one or more members of such individual's Family serves as a director, officer, partner, executor, or trustee (or in a similar capacity).

With respect to a specified Person other than an individual:

(a) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person;

(b) any Person that holds a Material Interest in such specified Person;

(c) each Person that serves as a director, officer, partner, executor, or trustee of such specified Person (or in a similar capacity);

(d) any Person in which such specified Person holds a Material Interest;

(e) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and

(f) any Related Person of any individual described in clause (b) or (c).

For purposes of this definition, (a) the "Family" of an individual includes (i) the individual, (ii) the individual's spouse (and former spouses), (iii) any other natural person who is related to the individual or the individual's spouse within the second degree, and (iv) any other natural person who resides with such individual, and (b) "Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least 10% of the outstanding

voting power of a Person or equity securities or other equity interests representing at least 10% of the outstanding equity securities or equity interests in a Person.

"Release" – any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

"Renewal Commissions" - all renewal commissions, premiums and other items of compensation, income or other amounts payable or to become payable to the Company or any Shareholder after the Closing Date in connection with the Policies, including, without limitation all proceeds, amounts payable, or rights to receive the foregoing by the Company or any Shareholder in connection with the Policies.

"Renewal Commissions Related Assets" –

(a) all rights of the Company or any Shareholder under all sales agreements and other contracts and arrangements between the Company or any Shareholder and any insurance carriers, underwriters, brokers, agencies or insureds in any way relating to any of the Policies or the Renewal Commissions, in each case to the extent that they relate to the Policies or the Renewal Commissions; and

(b) all other documents, instruments and records (including, without limitation, Policy expiration information, customer lists and mailing lists, correspondence and other information and records) owned, used or maintained by the Company or any Shareholder in any way relating to any of the Policies, the insureds thereunder, or the Renewal Commissions, regardless of whether they are maintained in hard copy, electronic media or otherwise.

"Representative" – with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"Retained Assets and Liabilities" – as defined in Section 3.6.

"Securities Act" – the Securities Act of 1933 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

"Shareholder" – as defined in the first paragraph of this Agreement.

"Shareholders' Release" – as defined in Section 7.4.

"Subsidiary" – with respect to any Person (the "Owner"), any corporation or other Person of which securities or other interests having the power to elect a majority of that corporation's or other Person's board of directors or similar governing body, or otherwise having the power to direct the business and policies of that corporation or other Person (other than securities or other interests having such power only upon the happening of a contingency that has not occurred) are held by the Owner or one or more of its Subsidiaries; when used without reference to a particular Person, "Subsidiary" means a Subsidiary of the Company.

"Surviving Corporation" – as defined in Section 2.1.

"Taxes" – all federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under IRC § 59A), customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative, add-on minimum, estimated, or other tax of any kind whatsoever, including interest, penalty or addition thereto, whether disputed or not.

"Tax Return" - any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

"Threat of Release" - a substantial likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

"Threatened" – a claim, Proceeding, dispute, action, or other matter will be deemed to have been "Threatened" if any demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing), or if any other event has occurred or any other circumstances exist, that would lead a prudent Person to conclude that such a claim, Proceeding, dispute, action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

2. THE MERGER

2.1 THE MERGER. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Florida Business Corporation Act (the "FBCA") and the Indiana Business Corporation Law (the "IBCL"), Merger Sub shall be merged with and into the Company at the Effective Time (as defined in Section 2.3). Upon consummation of the Merger, the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation (the "Surviving Corporation").

2.2 CLOSING. Subject to the terms and conditions hereof, the closing of the Merger and the transactions contemplated by this Agreement (the "Closing") will take place on a date to be selected by Parent upon the satisfaction or waiver of all of the conditions to the Closing set forth in Sections 7 and 8, which Closing shall occur at the Effective Time, provided that the Closing and the Effective Time shall occur on a date that is the first day of a commission cycle of the Carrier. Subject to the provisions of Section 9, failure to consummate the Merger on the date and time determined pursuant to this Section 2.2 will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement.

2.3 EFFECTIVE TIME. At the Closing, the parties shall file articles of merger (the "Articles of Merger") in such form as is required by and executed in accordance with the relevant provisions of the FBCA and the IBCL. The Merger shall become effective at such time the Articles of Merger are duly filed with the Secretary of State of the State of Florida and the Secretary of State of the State of Indiana, or at such subsequent time as Parent and the Company shall agree and as shall be specified in the Articles of Merger (the date and time the Merger becomes effective being the "Effective Time").

2.4 EFFECTS OF MERGER. At and after the Effective Time, the Merger will have the effects set forth in the FBCA and the IBCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, powers and franchises of the Company and Merger Sub shall be vested in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall be the debts, liabilities and duties of the Surviving Corporation.

2.5 ARTICLES OF INCORPORATION AND BY-LAWS. At the Effective Time and without any further action on the part of the Company or Merger Sub, the articles of incorporation and by-laws of the Company, as in effect immediately prior to the Effective Time, shall be the articles of incorporation and by-laws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

2.6 DIRECTORS AND OFFICERS OF SURVIVING CORPORATION. At the Effective Time, the directors of Merger Sub holding office immediately prior to the Effective Time shall become the directors of the Surviving Corporation until their respective successors shall have been duly appointed or qualified in accordance with the Surviving Corporation's articles of incorporation, by-laws and applicable law. At the Effective Time, the officers of Merger Sub holding office immediately prior to the Effective Time shall become the officers of the Surviving Corporation until their respective successors shall have been duly appointed or qualified in accordance with the Surviving Corporation's articles of incorporation, by-laws and applicable law.

2.7 EFFECT ON CAPITAL STOCK. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of Company Common Stock:

(a) Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive (i) $74,097.14, in cash, without interest, at the Effective Time and (ii) $8,233.02, in cash, without interest, within ten calendar days after the end of the ninth calendar month immediately following the Effective Time or within 40 calendar days after the date the $1,016,577 in Renewal Commissions is Received by the Surviving Corporation, whichever date is earlier, but only if the Surviving Corporation Receives at least $1,016,577 in Renewal Commissions during the six-month period after the Effective Time (collectively, the "Merger Consideration"). Upon such conversion, all such shares of Company Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each Company Certificate shall thereafter represent the

right to receive the Merger Consideration upon the surrender of the Company Certificate in accordance with the terms hereof.

(b) Each share of common stock, par value $0.01 per share, of Merger Sub outstanding immediately prior to the Effective Time shall be converted into one share of common stock, par value $1.00 per share, of the Surviving Corporation.

(c) For purposes of determining whether or not, and when, the Surviving Corporation "Receives" the required amount of Renewal Commissions during the six-month period following the Closing, a Renewal Commission shall be deemed to be "Received" by the Surviving Corporation at such time as: (i) the commission statement issued by the Carrier shows such Renewal Commission as having been earned by the Surviving Corporation; (ii) at least 10 business days have elapsed since the date shown on such commission statement as the date such Renewal Commission was earned by the Surviving Corporation; and (iii) there is no known dispute regarding the payment of such Renewal Commission. In the event that Renewal Commissions equal to or greater than $1,016,577 have not been reported on commission statements as earned by the Surviving Corporation within the six-month period following the Effective Time, Renewal Commissions on the Policies that are due for renewal within such six-month time period but not yet paid at the end of such six months will be deemed "Received" if they are actually paid to the Surviving Corporation within two (2) months of the related Policy lapse date.

2.8 EXCHANGE OF CERTIFICATES AND PAYMENT OF MERGER CONSIDERATION.

(a) At the Effective Time, each Shareholder shall deliver to Merger Sub certificates which immediately prior to the Effective Time evidenced all outstanding shares of Company Common Stock (the "Company Certificates") owned by him, duly endorsed (or accompanied by duly executed stock powers), with signatures guaranteed by a commercial bank or member firm of the New York Stock Exchange, for cancellation. Upon such surrender for cancellation, Merger Sub shall pay to each Shareholder, by wire transfer of immediately available funds to a single account designated in writing by such Shareholder prior to the Closing, the amount of the Merger Consideration that such Shareholder has the right to receive pursuant to Section 2.7(a)(i).

(b) At the Effective Time, Parent, Merger Sub, Insurance Receivables 5, LLC, a Delaware limited liability company ("IR5"), the Company, the Shareholders and the Escrow Agent shall execute and deliver an escrow agreement, in the form attached hereto as Exhibit 2.8(b) (the "Escrow Agreement"). Parent will cause the Surviving Corporation to deposit in the Escrow Fund at the Effective Time $62,573.35. During the six-month period after the Effective Time, pursuant to that certain Servicing Agreement dated April 7, 2004, among Parent, as servicer, Merger Sub and IR5, Parent shall cause to be deposited in the Escrow Fund sums in excess of certain fees and expenses and interest payable to IR5's lender, up to an aggregate amount of $823,302.

(c) If at least $1,016,577 in Renewal Commissions are Received during the six-month period after the Effective Time and if the Shareholders have been performing all of their obligations under this Agreement in all material respects, (i) Parent shall, within ten calendar days after the end of the ninth calendar month immediately following the Effective Time or within 40 calendar days after the date the $1,016,577 in Renewal Commissions is Received by the Surviving Corporation, whichever date is earlier, instruct the Escrow Agent to pay to each Shareholder who has previously surrendered his or her Company Certificates, the amount of the Merger Consideration that such Shareholder is to receive pursuant to Section 2.7(a)(ii), minus, with respect to each Shareholder, his pro rata amount (based on his percentage of stock ownership of the Company as shown on Part 3.3 of the Disclosure Letter) of the fees to be paid to the Escrow Agent pursuant to the Escrow Agreement, and (ii) if the amounts paid to each such Shareholder from the Escrow Fund are insufficient to pay the full amount of the Merger Consideration that such Shareholder is to receive pursuant to Section 2.7(a)(ii) (minus the Escrow Agent fees described in the preceding clause (i)), then the Surviving Corporation (or Parent if the Surviving Corporation fails to make such payment) shall pay the difference to each such Shareholder. If less than $1,016,577 in Renewal Commissions are Received during the six-month period or if the Shareholders have not been performing all of their obligations under this Agreement in all material respects (provided that if the Shareholders have not been performing all of their obligations under this Agreement in all material respects that they shall have 30 days following notice of their non-performance to cure such non-performance to the satisfaction of the Surviving Corporation, if so curable), then (A) none of the Surviving Corporation, Parent nor any other Person shall be obligated to pay any part of the Merger Consideration specified in Section 2.7(a)(ii) and (B) Parent shall have the sole and exclusive right to instruct the Escrow Agent as to the disbursement of the entire amount of the Escrow Fund, and the Shareholders shall not object thereto.

(d) Parent shall, and shall cause the Surviving Corporation to, instruct the Carrier to provide to Larry Kemp, on behalf of the Shareholders, a copy by electronic means to lkemp@cfbnet.com of each commission statement that the Carrier provides to the Surviving Corporation regarding the Renewal Commissions earned by the Surviving Corporation, with respect to the period beginning on the Effective Date and ending on the earlier of (i) the Receipt by the Surviving Corporation of $1,016,577 in Renewal Commissions or (ii) six months after the Effective Time. The Shareholders agree to (A) maintain in confidence, (B) not use for any purpose other than monitoring the Receipt of Renewal Commission by the Surviving Corporation, and (C) destroy immediately after determination by the parties of whether or not the Merger Consideration specified in Section 2.7(a)(ii) is to be paid, all information contained in the electronic statements and any other information received with respect to the Renewal Commissions following the Closing.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SHAREHOLDERS

The Company and the Shareholders represent and warrant to Parent and Merger Sub as follows:

3.1 ORGANIZATION AND GOOD STANDING.

(a) The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under Applicable Contracts. The Company is not qualified to do business as a foreign corporation under the laws of any other state or jurisdiction, and the ownership and use of the properties owned and used by the Company, and the nature of the activities conducted by it, do not require any such qualification.

(b) The Company has delivered to Parent copies of the Organizational Documents of the Company, as currently in effect.

3.2 AUTHORITY; NO CONFLICT.

(a) The Company has all requisite corporate power and authority to enter into this Agreement and the Escrow Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Escrow Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company. Each of this Agreement and the Escrow Agreement has been duly executed and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable against it in accordance with its terms.

(b) This Agreement constitutes the legal, valid, and binding obligation of each Shareholder, enforceable against each Shareholder in accordance with its terms. Upon the execution and delivery by each Shareholder of the Shareholders' Release and the Escrow Agreement, each of the Shareholders' Release and the Escrow Agreement will constitute the legal, valid, and binding obligation of each Shareholder, enforceable against each Shareholder in accordance with its terms. Each Shareholder has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement, the Shareholders' Release and the Escrow Agreement and to perform his obligations under this Agreement, the Shareholders' Release and the Escrow Agreement.

(c) Except as set forth in Part 3.2 of the Disclosure Letter, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of (A) any provision of the Organizational Documents of the Company, or (B) any resolution adopted by the board of directors or the shareholders of the Company;

(ii) contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which the Company or any Shareholder, or any of the assets owned or used by the Company, may be subject;

(iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by the Company or that otherwise relates to the business of, or any of the assets owned or used by, the Company;

(iv) to the Knowledge of the Company or the Shareholders, cause the Surviving Corporation, the Company, Merger Sub or Parent to become subject to, or to become liable for the payment of, any Tax;

(v) cause any of the assets owned by the Company to be reassessed or revalued by any taxing authority or other Governmental Body;

(vi) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Applicable Contract; or

(vii) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by the Company.

Except as set forth in Part 3.2 of the Disclosure Letter, neither the Company nor any Shareholder is or will be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

3.3 CAPITALIZATION. The authorized equity securities of the Company consist of 10,000 shares of common stock, par value $1.00 per share (the "Company Common Stock"), of which 100 shares are issued and outstanding, all of which are owned by the Shareholders. Part 3.3 of the Disclosure Letter sets forth the following information regarding each Shareholder: name, social security number, address, number of shares of Company Common Stock owned and percentage of stock ownership of the Company. Each Shareholder is and will be on the Closing Date the sole record and beneficial owner and holder of the shares of Company Common Stock shown as owned by him on Part 3.3 of the Disclosure Letter, free and clear of all Encumbrances. No legend or other reference to any purported Encumbrance appears upon any certificate representing equity securities of the Company. All of the outstanding equity securities of the Company have been duly authorized and validly issued and are fully paid and nonassessable. There are no Contracts relating to the issuance, sale, or transfer of any equity securities or other securities of the Company. None of the outstanding equity securities or other securities of the Company was issued in violation of the Securities Act or any other Legal Requirement. The Company does not own, or have any Contract to acquire, any equity securities or other securities of any Person or any direct or indirect equity or ownership interest in any other business.

3.4 FINANCIAL STATEMENTS.

(a) The Company has delivered to Parent: (a) balance sheets of the Company as at December 31, 2002 and 2001, and the related statements of income, changes in shareholders' equity, and cash flow for each of the fiscal years then ended, and (b) a balance sheet of the Company as at December 31, 2003 (including the notes thereto, the "Balance Sheet"), and the related statements of income, changes in shareholders' equity, and cash flow for the fiscal year then ended. Such financial statements and notes fairly and accurately present the financial condition and the results of operations, changes in shareholders' equity, and cash flow of the Company as at the respective dates of and for the periods referred to in such financial statements, all in accordance with GAAP; the financial statements referred to in this Section 3.4 reflect the consistent application of such accounting principles throughout the periods involved. No financial statements of any Person other than the Company are required by GAAP to be included in the financial statements of the Company.

(b) As of the Closing Date, the balance sheet contained in the Closing Financial Statements (to be delivered pursuant to Section 7.4(e)) has been prepared in accordance with GAAP and otherwise on a basis consistent in all respects (including the principles, practices and methods of accounting) employed in the preparation of the Balance Sheet, and fairly and accurately presents the financial position of the Company as of the Closing Date.

3.5 BOOKS AND RECORDS. The books of account, minute books, stock record books, and other records relating to the Retained Assets and Liabilities (collectively, the "Books and Records") of the Company, all of which have been made available to Parent, are complete and correct and have been maintained in accordance with sound business practices and the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934, as amended (regardless of whether or not the Company is subject to that Section), including the maintenance of an adequate system of internal controls. The minute books of the Company contain accurate and complete records of all meetings held of, and corporate action taken by, the shareholders, the Board of Directors, and committees of the Board of Directors of the Company, and no meeting of any such shareholders, Board of Directors, or committee has been held for which minutes have not been prepared and are not contained in such minute books. At the Closing, all of those books and records will be in the possession of the Company.

3.6 TRANSFER OF ASSETS AND LIABILITIES.

(a) Prior to the Closing Date, the Shareholders and the Company will have caused the Company to sell, transfer, convey, assign and deliver to Agent Distribution Center, LLC (the "Assets and Liabilities Transferee"), and such Assets and Liabilities Transferee shall have purchased, acquired, accepted and assumed (the "Assets and Liabilities Transfer"), all of the Company's right, title and interest in and to all of the business, properties, contracts, goodwill, rights and other assets, of whatever kind, nature, character and description, whether tangible or intangible, whether real, personal or mixed, whether accrued, contingent or otherwise, and wherever located, and all liabilities and obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) of the Company, other than

the Company's right, title and interest in and to, and obligations under, the Insurance Contract, the Renewal Commissions, the Policies, the Renewal Commissions Related Assets, the Books and Records, the Governmental Authorizations and the Intellectual Property Assets (collectively, the "Retained Assets and Liabilities").

(b) At the Closing, the Company will own or hold only the Retained Assets and Liabilities, and the Company will not have any other properties, contracts, goodwill, rights or other assets, nor any other liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise). Other than the Retained Assets and Liabilities, the Surviving Corporation and Parent will have no obligation or responsibility for any liabilities or obligations of the Company.

(c) As of the Closing Date, the shareholders' equity of the Company will equal $0.00, and will be shown as such on the Closing Financial Statements.

3.7 TAXES.

(a) The Company has filed or caused to be filed all Tax Returns that are or were required to be filed by or with respect to it, pursuant to applicable Legal Requirements. The Company has delivered to Parent copies of, and Part 3.7 of the Disclosure Letter contains a complete and accurate list of, all such Tax Returns filed for the past five years. The Company has paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to the Tax Returns or otherwise, or pursuant to any assessment received by any Shareholder or the Company, except such Taxes, if any, as are listed in Part 3.7 of the Disclosure Letter and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the Balance Sheet.

(b) The United States federal and state income Tax Returns of the Company have been audited by the IRS or relevant state tax authorities or are closed by the applicable statute of limitations for all taxable years through 2000. Part 3.7 of the Disclosure Letter contains a complete and accurate list of all audits of all such Tax Returns, including a reasonably detailed description of the nature and outcome of each audit. All deficiencies proposed as a result of such audits have been paid, reserved against, settled, or, as described in Part 3.7 of the Disclosure Letter, are being contested in good faith by appropriate proceedings. Part 3.7 of the Disclosure Letter describes all adjustments to the United States federal income Tax Returns filed by the Company or any group of corporations including the Company for all taxable years, and the resulting deficiencies proposed by the IRS. Except as described in Part 3.7 of the Disclosure Letter, neither the Company nor any Shareholder has given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment of Taxes of the Company or for which the Company may be liable.

(c) The charges, accruals, and reserves with respect to Taxes on the respective books of the Company are adequate (determined in accordance with GAAP) and are at least equal to the Company's liability for Taxes. There exists no proposed tax assessment against the

Company except as disclosed in the Balance Sheet or in Part 3.7 of the Disclosure Letter. No consent to the application of Section 341(f)(2) of the IRC has been filed with respect to any property or assets held, acquired, or to be acquired by the Company. All Taxes that the Company is or was required by Legal Requirements to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Body or other Person.

(d) All Tax Returns filed by the Company are true, correct, and complete. There is no tax sharing agreement that will require any payment by the Company after the date of this Agreement. During the consistency period (as defined in Section 338(h)(4) of the IRC with respect to the Merger), neither the Company nor any target affiliate (as defined in Section 338(h)(6) of the IRC with respect to the Merger) has sold or will sell any property or assets to Parent or Merger Sub or to any member of the affiliated group (as defined in Section 338(h)(5) of the IRC) that includes Parent or Merger Sub. Part 3.7 of the Disclosure Letter lists all such target affiliates.

(e) The Company has elected to be treated as an "S Corporation" as that term is defined in the IRC, and the Company has received, prior to the Closing Date, confirmation from the IRS that such election has been accepted and is effective for the year beginning January 1, 2004. The Company has delivered evidence of such acceptance and effectiveness to Parent prior to the Closing.

3.8 NO MATERIAL ADVERSE CHANGE. Since the date of the Balance Sheet, there has not been any material adverse change in the business, operations, properties, prospects, assets, or condition of the Company, and, to the Knowledge of the Company or the Shareholders, no event has occurred or circumstance exists that may result in such a material adverse change.

3.9 EMPLOYEE BENEFITS.

(a) As used in this Section 3.9, the following terms have the meanings set forth below.

"Company Other Benefit Obligation" means an Other Benefit Obligation owed, adopted, or followed by the Company or an ERISA Affiliate of the Company.

"Company Plan" means all Plans of which the Company or an ERISA Affiliate of the Company is or was a Plan Sponsor, or to which the Company or an ERISA Affiliate of the Company otherwise contributes or has contributed, or in which the Company or an ERISA Affiliate of the Company otherwise participates or has participated. All references to Plans are to Company Plans unless the context requires otherwise.

"Company VEBA" means a VEBA whose members include employees of the Company or any ERISA Affiliate of the Company.

"ERISA Affiliate" means, with respect to the Company, any other person that, together with the Company, would be treated as a single employer under IRC § 414.

"Multi-Employer Plan" has the meaning given in ERISA § 3(37)(A).

"Other Benefit Obligations" means all obligations, arrangements, or customary practices, whether or not legally enforceable, to provide benefits, other than salary, as compensation for services rendered, to present or former directors, employees, or agents, other than obligations, arrangements, and practices that are Plans. Other Benefit Obligations include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies, and fringe benefits within the meaning of IRC § 132.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Pension Plan" has the meaning given in ERISA § 3(2)(A).

"Plan" has the meaning given in ERISA § 3(3).

"Plan Sponsor" has the meaning given in ERISA § 3(16)(B).

"Qualified Plan" means any Plan that meets or purports to meet the requirements of IRC § 401(a).

"Title IV Plans" means all Pension Plans that are subject to Title IV of ERISA, 29 U.S.C. § 1301 et seq., other than Multi-Employer Plans.

"VEBA" means a voluntary employees' beneficiary association under IRC § 501(c)(9).

"Welfare Plan" has the meaning given in ERISA § 3(1).

(b) (i) There are no existing, and there have never existed, any Company Plans, Company Other Benefit Obligations or Company VEBAs.

(ii) The Company does not have, and never has had, any ERISA Affiliate.

(iii) The Company does not have any liability for post-retirement benefits.

3.10 COMPLIANCE WITH LEGAL REQUIREMENTS; GOVERNMENTAL AUTHORIZATIONS.

(a) Except as set forth in Part 3.10 of the Disclosure Letter:

(i) the Company is, and at all times has been, in full compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets;

(ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) may constitute or result in a violation by the Company of, or a failure on the part of the Company to comply with, any Legal Requirement, or (B) may give rise to any obligation on the part of the Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(iii) the Company has not received at any time any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any Legal Requirement, or (B) any actual, alleged, possible, or potential obligation on the part of the Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

(b) Part 3.10 of the Disclosure Letter contains a complete and accurate list of each Governmental Authorization that is held by the Company or that otherwise relates to the business of, or to any of the assets owned or used by, the Company. Each Governmental Authorization listed or required to be listed in Part 3.10 of the Disclosure Letter is valid and in full force and effect. Except as set forth in Part 3.10 of the Disclosure Letter:

(i) the Company is, and at all times has been, in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Part 3.10 of the Disclosure Letter;

(ii) no event has occurred or circumstance exists that may (with or without notice or lapse of time) (A) constitute or result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Part 3.10 of the Disclosure Letter, or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Part 3.10 of the Disclosure Letter;

(iii) the Company has not received at any time any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization; and

(iv) all applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Part 3.10 of the Disclosure Letter have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

The Governmental Authorizations listed in Part 3.10 of the Disclosure Letter collectively constitute all of the Governmental Authorizations necessary to permit the Company to lawfully conduct and operate its business in the manner it currently conducts and operates such business and to permit the Company to own and use its assets in the manner in which it currently owns and uses such assets.

3.11 LEGAL PROCEEDINGS; ORDERS.

(a) Except as set forth in Part 3.11 of the Disclosure Letter, there is no pending Proceeding:

(i) that has been commenced by or against the Company or that otherwise relates to or may affect the business of, or any of the assets owned or used by, the Company, including without limitation relating to any of the Policies or the insureds thereunder, the Renewal Commissions, the Renewal Commissions Related Assets or the Insurance Contracts; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions.

To the Knowledge of the Shareholders and the Company, (1) no such Proceeding has been Threatened, and (2) no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding. The Company has delivered to Parent copies of all pleadings, correspondence, and other documents relating to each Proceeding listed in Part 3.11 of the Disclosure Letter. The Proceedings listed in Part 3.11 of the Disclosure Letter will not have a material adverse effect on the business, operations, assets, condition, or prospects of the Company.

(b) Except as set forth in Part 3.11 of the Disclosure Letter:

(i) there is no Order to which the Company, or any of the assets owned or used by it, is subject;

(ii) None of the Shareholders is subject to any Order that relates to the business of, or any of the assets owned or used by, the Company; and

(iii) no officer, director, agent, or employee of the Company is subject to any Order that prohibits such officer, director, agent, or employee from engaging in or continuing any conduct, activity, or practice relating to the business of the Company.

(c) Except as set forth in Part 3.11 of the Disclosure Letter:

(i) the Company is, and at all times has been, in full compliance with all of the terms and requirements of each Order to which it, or any of the assets owned or used by it, is or has been subject;

(ii) no event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or requirement of any Order to which the Company, or any of the assets owned or used by the Company, is subject; and

(iii) the Company has not received at any time any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Order to which the Company, or any of the assets owned or used by the Company, is or has been subject.

3.12 ABSENCE OF CERTAIN CHANGES AND EVENTS. Except as set forth in Part 3.12 of the Disclosure Letter, since the date of the Balance Sheet, the Company has conducted its businesses only in the Ordinary Course of Business and there has not been any:

(a) change in the Company's authorized or issued capital stock; grant of any stock option or right to purchase shares of capital stock of the Company; issuance of any security convertible into such capital stock; grant of any registration rights; purchase, redemption, retirement, or other acquisition by the Company of any shares of any such capital stock; or declaration or payment of any dividend or other distribution or payment in respect of shares of capital stock;

(b) amendment to the Organizational Documents of the Company;

(c) payment or increase by the Company of any bonuses, salaries, or other compensation to any shareholder, director or officer or entry into any employment, severance, or similar Contract with any director or officer;

(d) damage to or destruction or loss of any asset or property of the Company, whether or not covered by insurance, materially and adversely affecting the properties, assets, business, financial condition, or prospects of the Company, taken as a whole;

(e) entry into, termination of, or receipt of notice of termination of (i) any license, distributorship, dealer, sales representative, joint venture, credit, or similar agreement, or (ii) any Contract or transaction involving a total remaining commitment by or to the Company of any amount;

(f) sale (other than sales of inventory in the Ordinary Course of Business), lease, or other disposition of any asset or property of the Company or mortgage, pledge, or imposition of any Lien or other Encumbrance on any material asset or property of the Company, including the sale, lease, or other disposition of any of the Intellectual Property Assets;

(g) cancellation or waiver of any claims or rights with a value to the Company of any amount;

(h) material change in the accounting methods used by the Company; or

(i) agreement, whether oral or written, by the Company to do any of the foregoing.

3.13 CONTRACTS; NO DEFAULTS.

(a) At the Closing, there will not exist any sales agreements or other contracts or arrangements between the Company or any of its representatives, on the one hand, and any insurance carriers, underwriters, brokers, agencies or insureds, on the other hand, in any way relating to any of the Policies or the Renewal Commissions or otherwise involving or benefiting the insureds thereunder, other than that certain Master General Agency Agreement executed on January 13, 2003 and January 30, 2003, between the Company and Mutual of Omaha Insurance Company and United of Omaha Life Insurance Company (collectively, the "Carrier") and all amendments, schedules and addenda thereto (collectively, the "Insurance Contract"), a true, correct and complete copy of which has been delivered by the Company to Parent.

(b) Except as set forth in Part 3.13(b) of the Disclosure Letter:

(i) other than the Insurance Contract, there is no other Applicable Contract, nor any Contract to which any employee or agent of the Company is a party relating to the business of the Company;

(ii) none of the Shareholders nor any Related Person of any of the Shareholders has or may acquire any rights under, and no Shareholder has or will become subject to any obligation or liability under, any Contract that relates to the business of, or any of the assets owned or used by, the Company; and

(iii) no officer, director, agent, representative, employee, consultant, or contractor of the Company is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor to (A) engage in or continue any conduct, activity, or practice relating to the business of the Company, or (B) assign to the Company or to any other Person any rights to any invention, improvement, or discovery.

(c) The Insurance Contract is in full force and effect and is valid and enforceable in accordance with its terms.

(d) Except as set forth in Part 3.13(d) of the Disclosure Letter:

(i) the Company is, and at all times has been, in full compliance with all applicable terms and requirements of the Insurance Contract;

(ii) each other Person that has or had any obligation or liability under the Insurance Contract is, and at all times has been, in full compliance with all applicable terms and requirements of the Insurance Contract;

(iii) no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give the Company or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, the Insurance Contract;

(iv) the Company has not given to or received from any other Person at any time any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, the Insurance Contract;

(v) the Insurance Contract is sufficient for the Surviving Corporation to continue to receive the Renewal Commissions on all of the Policies as the premiums are paid thereon, in accordance with the terms of the Insurance Contract; and

(vi) the Company does not have any outstanding debts or any other amounts due or payable to the Carrier under the Insurance Contract, nor are there any obligations or liabilities subject to offset under the Insurance Contract or in any way related to or affecting the Renewal Commissions.

(e) There are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to the Company under current or completed Insurance Contracts with any Person and no such Person has made written demand for such renegotiation.

3.14 RENEWAL COMMISSIONS; POLICIES.

(a) Exhibit 1(a) attached hereto lists all Policies and all Renewal Commissions, and is true, complete and correct. The Policies listed on Exhibit 1(a) constitute all of the in-force insurance policies for which the Company is the agent of record. Each of the Policies is in full force and effect, the premiums due thereon have been fully paid, and none of the Shareholders nor the Company has received any notice of lapse or cancellation of any of the Policies. To the Knowledge of the Company and the Shareholders, (i) the insureds under the Policies intend to renew, and do not intend to cancel, any of the Policies and (ii) the insurance carriers under the Policies do not intend to cancel any of the Policies.

(b) The total annualized Renewal Commissions under the Insurance Contracts are in excess of $2,500,000.

(c) Each Renewal Commission complies in all material respects with all requirements of applicable federal, state, and local laws, rulings and regulations thereunder.

(d) The Insurance Contracts and the Policies are genuine, legal, valid and binding obligations of the issuers of such Policies, enforceable by the Company or the Shareholders in accordance with their respective terms, except as enforceability thereof may be limited by

bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law. The obligations of the Carrier in respect of the Renewal Commissions arising under the Insurance Contract are in full force and effect and have not been satisfied, subordinated or rescinded.

(e) No Renewal Commission is due from the United States of America or any State or any agency, department, subdivision or instrumentality thereof.

(f) With respect to the Renewal Commissions, the information set forth in Exhibit I(a) to this Agreement is true and correct in all material respects.

(g) No Renewal Commission is subject to the laws of, any jurisdiction the laws of which would make unlawful, void or voidable the sale, transfer and assignment of such Renewal Commission, or the grant of any security interest in such Renewal Commission.

(h) No Renewal Commission and no interest in any Renewal Commission has been sold, transferred, assigned or pledged by the Company or any Shareholder to any Person. The Company or the Shareholders own all the Renewal Commissions free and clear of all Liens.

(i) No Renewal Commission is subject to any right of rescission, counterclaim, dispute, adverse claim or defense (other than a defense that any Renewal Commission is not owed because the underlying Policy is no longer in force or any premiums due in respect of such policy have not been paid), whether arising out of transactions concerning the Renewal Commissions or otherwise.

(j) There has been no default, breach, or violation under the terms of the Insurance Contracts and no condition exists or event has occurred and is continuing that with notice, the lapse of time or both would constitute a default, breach, or violation thereof, and there has been no waiver of any of the foregoing.

(k) All of the Renewal Commissions are obligations of insurance carriers who are entities organized and domiciled in the United States of America or Canada.

(l) The Carrier has been instructed to make all scheduled payments of Renewal Commissions to the Company or the Shareholders.

(m) Neither the Company nor any Shareholder has done anything to convey any right to any Person that would result in such Person having a right to a Renewal Commission or otherwise to impair the rights of the Surviving Corporation in any Renewal Commission or the proceeds thereof.

(n) As of the Closing Date, there are no proceedings pending, nor to the best of the Company's or any Shareholder's Knowledge, threatened, wherein the relevant insurance

carrier or any governmental agency has alleged that any Renewal Commission is illegal or unenforceable.

3.15 INSURANCE.

(a) The Company has delivered to Parent:

(i) true and complete copies of all policies of insurance to which the Company is a party or under which the Company, or any director of the Company, is or has been covered at any time preceding the date of this Agreement; and

(ii) true and complete copies of all pending applications for policies of insurance.

(b) Part 3.15(b) of the Disclosure Letter describes:

(i) any self-insurance arrangement by or affecting the Company, including any reserves established thereunder;

(ii) any contract or arrangement, other than a policy of insurance, for the transfer or sharing of any risk by the Company; and

(iii) all obligations of the Company to third parties with respect to insurance (including such obligations under leases and service agreements) and identifies the policy under which such coverage is provided.

(c) Part 3.15(c) of the Disclosure Letter sets forth, by year, for the current policy year and each of the five preceding policy years:

(i) a summary of the loss experience under each policy;

(ii) a statement describing each claim under an insurance policy for any amount which sets forth:

(A) the name of the claimant;

(B) a description of the policy by insurer, type of insurance, and period of coverage; and

(C) the amount and a brief description of the claim; and

(iii) a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.

(d) All policies to which the Company is a party or that provide coverage to any Shareholder, the Company, or any director or officer of the Company:

(i) are issued by an insurer that is financially sound and reputable;

(ii) taken together, provide adequate insurance coverage for the assets and the operations of the Company;

(iii) are sufficient for compliance with all Legal Requirements and Contracts to which the Company is a party or by which it is bound;

(iv) will continue in full force and effect until the Effective Time, at which time they will be terminated; and

(v) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of the Company.

(e) The Company has paid all premiums due, and has otherwise performed all of its obligations, under each policy to which it is a party or that provides coverage to the Company or director thereof, and the Company has given notice to the insurer of all claims that may be insured thereby.

(f) There are no outstanding or open claims under any insurance policy to which the Company is or was a party or that at any time has provided coverage to any Shareholder, the Company or any director or officer of the Company.

3.16 ENVIRONMENTAL MATTERS. Except as set forth in Part 3.16 of the Disclosure Letter:

(a) The Company is, and at all times has been, in full compliance with, and has not been and is not in violation of or liable under, any Environmental Law. No Shareholder or the Company has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held to be responsible received, any actual or Threatened order, notice, or other communication from (i) any Governmental Body or private citizen acting in the public interest, or (ii) the current or prior owner or operator of any Facilities, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or Threatened obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which any Shareholder or the Company has had an interest, or with respect to any property or Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by any Shareholder, the Company, or any other Person for whose conduct they are or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled, or received.

(b) There are no pending or Threatened claims, Encumbrances, or other restrictions of any nature, resulting from any Environmental, Health, and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any of the Facilities or any other properties and assets (whether real, personal, or mixed) in which any Shareholder or the Company has or had an interest.

(c) No Shareholder or the Company has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held responsible, received, any citation, directive, inquiry, notice, Order, summons, warning, or other communication that relates to Hazardous Activity, Hazardous Materials, or any alleged, actual, or potential violation or failure to comply with any Environmental Law, or of any alleged, actual, or potential obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which any Shareholder or the Company had an interest, or with respect to any property or facility to which Hazardous Materials generated, manufactured, refined, transferred, imported, used, or processed by any Shareholder, the Company, or any other Person for whose conduct they are or may be held responsible, have been transported, treated, stored, handled, transferred, disposed, recycled, or received.

(d) No Shareholder or the Company, or any other Person for whose conduct they are or may be held responsible, has any Environmental, Health, and Safety Liabilities with respect to the Facilities or with respect to any other properties and assets (whether real, personal, or mixed) in which any Shareholder or the Company (or any predecessor), has or had an interest, or at any property geologically or hydrologically adjoining the Facilities or any such other property or assets.

(e) There are no Hazardous Materials present on or in the Environment at the Facilities or at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent, and deposited or located in land, water, sumps, or any other part of the Facilities or such adjoining property, or incorporated into any structure therein or thereon. No Shareholder, the Company, any other Person for whose conduct they are or may be held responsible, or any other Person, has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Facilities or any other properties or assets (whether real, personal, or mixed) in which any Shareholder or the Company has or had an interest.

(f) There has been no Release, or Threat of Release, of any Hazardous Materials at or from the Facilities or at any other locations where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed from or by the Facilities, or from or by any other properties and assets (whether real, personal, or mixed) in which any Shareholder or the Company has or had an interest, or any geologically or hydrologically adjoining property, whether by any Shareholder, the Company, or any other Person.

(g) The Company has delivered to Parent true and complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by any Shareholder or the Company pertaining to Hazardous Materials or Hazardous Activities in, on, or under the Facilities, or concerning compliance by any Shareholder, any the Company, or any other Person for whose conduct they are or may be held responsible, with Environmental Laws.

3.17 EMPLOYEES. The Company does not have, nor at any time during its existence has had, any employees.

3.18 LABOR RELATIONS; COMPLIANCE. The Company has not been and is not a party to any collective bargaining or other labor Contract. There has not been, there is not presently pending or existing, and there is not Threatened, (a) any strike, slowdown, picketing, work stoppage, or employee grievance process, (b) any Proceeding against or affecting the Company relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Body, organizational activity, or other labor or employment dispute against or affecting the Company or its premises, or (c) any application for certification of a collective bargaining agent. No event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute. There is no lockout of any employees by the Company, and no such action is contemplated by the Company. The Company has complied in all respects with all Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closing. The Company is not liable for the payment of any compensation, damages, taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

3.19 INTELLECTUAL PROPERTY.

(a) Intellectual Property Assets.

(i) The term "Intellectual Property Assets" includes the name "Senior Health Division, Inc.", all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications, owned, used or licensed by the Company.

(ii) Part 3.19(a) of Disclosure Letter contains a complete and accurate list and summary description of all Intellectual Property Assets. The Company is the owner of all right, title, and interest in and to each of the Intellectual Property Assets, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims.

(iii) All trademarks that have been registered with the United States Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the Closing Date.

(iv) None of the Intellectual Property Assets has been or is now involved in any opposition, invalidation, or cancellation and no such action is Threatened with the respect to any of the Intellectual Property Assets.

(v) There is no potentially interfering trademark or trademark application of any third party.

(vi) None of the Intellectual Property Assets is infringed or has been challenged or threatened in any way. None of the Intellectual Property Assets used by the Company infringes or is alleged to infringe any trade name, trademark, or service mark of any third party.

(vii) All products and materials containing a trademark bear the proper federal registration notice where permitted by law.

(b) Agreements. Part 3.19(b) of the Disclosure Letter contains a complete and accurate list and summary description, including any royalties paid or received by the Company, of all Contracts relating to the Intellectual Property Assets to which the Company is a party or by which the Company is bound. There are no outstanding and no Threatened disputes or disagreements with respect to any such agreement.

(c) Know-How Necessary for the Business. The Intellectual Property Assets are all those necessary for the operation of the Company's business as it is currently conducted. The Company is the owner of all right, title, and interest in and to each of the Intellectual Property Assets, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims, and has the right to use without payment to a third party all of the Intellectual Property Assets.

(d) Patents. The Company does not own, use or license any patents, patent applications, or inventions or discoveries that may be patentable. None of the products manufactured and sold, nor any process or know-how used, by the Company infringes or is alleged to infringe any patent or other proprietary right of any other Person.

(e) Copyrights. The Company does not own, use or license any copyrights in either published works and unpublished works.

3.20 CERTAIN PAYMENTS. Neither the Company nor director, officer, agent, or employee of the Company, or any other Person associated with or acting for or on behalf of the Company, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Company or any Related Person of the Company, or (iv) in violation of any Legal Requirement, or (b) established or maintained any fund or asset that has not been recorded in the books and records of the Company.

3.21 DISCLOSURE.

(a) No representation or warranty of the Company or the Shareholders in this Agreement and no statement in the Disclosure Letter omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading.

(b) No notice given pursuant to Section 5.5 will contain any untrue statement or omit to state a material fact necessary to make the statements therein or in this Agreement, in light of the circumstances in which they were made, not misleading.

(c) There is no fact known to the Company or any Shareholder that has specific application to any Shareholder or the Company (other than general economic or industry conditions) and that materially adversely affects the assets, business, prospects, financial condition, or results of operations of the Company that has not been set forth in this Agreement or the Disclosure Letter.

3.22 RELATIONSHIPS WITH RELATED PERSONS. Except as set forth in Part 3.22 of the Disclosure Letter, none of the Shareholders or any Related Person of any Shareholder or of the Company has, or has had, any interest in any property (whether real, personal, or mixed and whether tangible or intangible), used in or pertaining to the Company's business. Except as set forth in Part 3.22 of the Disclosure Letter, no Shareholder or any Related Person of any Shareholder or of the Company is, or has owned (of record or as a beneficial owner) an equity interest or any other financial or profit interest in, a Person that has (i) had business dealings or a material financial interest in any transaction with the Company, or (ii) engaged in competition with the Company with respect to any line of the products or services of the Company in any market presently served by the Company. Except as set forth in Part 3.22 of the Disclosure Letter, no Shareholder or any Related Person of any Shareholder or of the Company is a party to any Contract with, or has any claim or right against, the Company.

3.23 BROKERS OR FINDERS. None of the Shareholders nor the Company or any of their agents has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

4. REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub represent and warrant to the Company and the Shareholders as follows:

4.1 ORGANIZATION AND GOOD STANDING. Parent is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Indiana.

4.2 AUTHORITY; NO CONFLICT.

(a) This Agreement constitutes the legal, valid, and binding obligation of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms. When executed and delivered by Parent and Merger Sub in accordance with this Agreement, the Escrow Agreement will constitute the legal, valid, and binding obligation of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms. Each of Parent and Merger Sub has the absolute and unrestricted right, power, and authority to execute and deliver this Agreement and the Escrow Agreement and to perform its obligations hereunder and thereunder.

(b) Except as set forth in Schedule 4.2, neither the execution and delivery of this Agreement by Parent or Merger Sub nor the consummation or performance of any of the Contemplated Transactions by Parent or Merger Sub will give any Person the right to prevent, delay, or otherwise interfere with any of the Contemplated Transactions pursuant to:

(i) any provision of Parent's or Merger Sub's Organizational Documents;

(ii) any resolution adopted by the board of directors or the shareholders of Parent or Merger Sub;

(iii) any Legal Requirement or Order to which Parent or Merger Sub may be subject; or

(iv) any Contract to which Parent or Merger Sub is a party or by which it may be bound.

Except as set forth in Schedule 4.2, neither Parent nor Merger Sub is or will be required to obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

4.3 CERTAIN PROCEEDINGS. There is no pending Proceeding that has been commenced against Parent or Merger Sub that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions. To Parent or Merger Sub's Knowledge, no such Proceeding has been Threatened.

4.4 BROKERS OR FINDERS. None of Parent, Merger Sub or its officers or agents have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

5. COVENANTS OF SHAREHOLDERS AND THE COMPANY PRIOR TO CLOSING DATE

5.1 ACCESS AND INVESTIGATION. Between the date of this Agreement and the Closing Date, each Shareholder and the Company will, and will cause each of its Representatives to, (a) afford Parent and Merger Sub and their Representatives and prospective lenders and their Representatives (collectively, "Parent's Advisors") full and free access to the Company's personnel, properties (including subsurface testing), contracts, books and records, and other

documents and data, (b) furnish Parent and Parent's Advisors with copies of all such contracts, books and records, and other existing documents and data as Parent may reasonably request, and (c) furnish Parent and Parent's Advisors with such additional financial, operating, and other data and information as Parent may reasonably request.

5.2 OPERATION OF THE BUSINESS OF THE COMPANY. Between the date of this Agreement and the Closing Date, the Shareholders and the Company will:

(a) conduct the business of the Company only in the Ordinary Course of Business;

(b) use their Best Efforts to preserve intact the current business organization of the Company, keep available the services of the current officers, employees, and agents of the Company, and maintain the relations and good will with suppliers, customers, landlords, creditors, employees, agents, and others having business relationships with the Company;

(c) confer with Parent concerning operational matters of a material nature; and

(d) otherwise report periodically to Parent concerning the status of the business, operations, and finances of the Company.

5.3 NEGATIVE COVENANT. Except as otherwise expressly permitted by this Agreement, between the date of this Agreement and the Closing Date, the Shareholders and the Company will not, without the prior consent of Parent, take any affirmative action, or fail to take any reasonable action within their or its control, as a result of which any of the changes or events listed in Section 3.12 is likely to occur. In addition, between the date of this Agreement and the Closing Date, none of the Shareholders will transfer, enter into any arrangement with respect to, or permit any Encumbrance on, any of the shares of Company Common Stock owned by him.

5.4 REQUIRED APPROVALS. As promptly as practicable after the date of this Agreement, the Shareholders and the Company will make all filings required by Legal Requirements to be made by them in order to consummate the Contemplated Transactions. Between the date of this Agreement and the Closing Date, the Shareholders and the Company will (a) cooperate with Parent and Merger Sub with respect to all filings that Parent or Merger Sub elects to make or is required by Legal Requirements to make in connection with the Contemplated Transactions, and (b) cooperate with Parent and Merger Sub in obtaining all consents identified in Schedule 4.2.

5.5 NOTIFICATION. Between the date of this Agreement and the Closing Date, the Shareholders or the Company will promptly notify Parent in writing if any Shareholder or the Company becomes aware of any fact or condition that causes or constitutes a Breach of any of the Shareholders' or the Company's representations and warranties as of the date of this Agreement, or if any Shareholder or the Company becomes aware of the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or

condition. Should any such fact or condition require any change in the Disclosure Letter if the Disclosure Letter were dated the date of the occurrence or discovery of any such fact or condition, the Shareholders or the Company will promptly deliver to Parent a supplement to the Disclosure Letter specifying such change. During the same period, the Shareholders or the Company will promptly notify Parent of the occurrence of any Breach of any covenant of any Shareholder or the Company in this Section 5 or of the occurrence of any event that may make the satisfaction of the conditions in Section 7 impossible or unlikely.

5.6 PAYMENT OF INDEBTEDNESS BY RELATED PERSONS. Except as expressly provided in this Agreement, each Shareholder will cause all indebtedness owed to the Company by such Shareholder or any Related Person of such Shareholder or the Company to be paid in full prior to Closing.

5.7 NO NEGOTIATION. Until such time, if any, as this Agreement is terminated pursuant to Section 9, each Shareholder and the Company will not, and will cause each of their Representatives not to, directly or indirectly solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiries or proposals from, any Person (other than Parent) relating to any transaction involving the sale of the business or assets (other than in the Ordinary Course of Business) of the Company, or any of the capital stock of the Company, or any merger, consolidation, business combination, or similar transaction involving the Company.

5.8 BEST EFFORTS. Between the date of this Agreement and the Closing Date, each Shareholder and the Company will use its Best Efforts to cause the conditions in Sections 7 and 8 to be satisfied.

6. COVENANTS OF PARENT AND MERGER SUB PRIOR TO CLOSING DATE

6.1 APPROVALS OF GOVERNMENTAL BODIES. As promptly as practicable after the date of this Agreement, Parent will, and will cause each of its Related Persons to, make all filings required by Legal Requirements to be made by them to consummate the Contemplated Transactions. Between the date of this Agreement and the Closing Date, Parent will, and will cause each Related Person to, cooperate with the Shareholders and the Company with respect to all filings that the Shareholders or the Company are required by Legal Requirements to make in connection with the Contemplated Transactions, and cooperate with the Shareholders and the Company in obtaining all Consents identified in Part 3.2 of the Disclosure Letter; provided that this Agreement will not require Parent or Merger Sub to dispose of or make any change in any portion of its business or to incur any other burden to obtain a Governmental Authorization.

6.2 BEST EFFORTS. Except as set forth in the proviso to Section 6.1, between the date of this Agreement and the Closing Date, Parent and Merger Sub will use their Best Efforts to cause the conditions in Sections 7 and 8 to be satisfied.

7. CONDITIONS PRECEDENT TO PARENT AND MERGER SUB'S OBLIGATION TO CLOSE

Parent's and Merger Sub's obligation to effect the Merger and to take the other actions required to be taken by Parent and Merger Sub at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Parent or Merger Sub, in whole or in part):

7.1 ACCURACY OF REPRESENTATIONS.

(a) All of the Shareholders' and the Company's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date of this Agreement, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date, without giving effect to any supplement to the Disclosure Letter.

(b) Each of the Shareholders' and the Company's representations and warranties in Sections 3.2, 3.3, 3.4, 3.6, 3.8, 3.13, 3.14 and 3.21 must have been accurate in all respects as of the date of this Agreement, and must be accurate in all respects as of the Closing Date as if made on the Closing Date, without giving effect to any supplement to the Disclosure Letter.

7.2 THE SHAREHOLDERS' AND THE COMPANY'S PERFORMANCE.

(a) All of the covenants and obligations that any Shareholder or the Company is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been duly performed and complied with in all material respects.

(b) Each document required to be delivered pursuant to Section 7.4 must have been delivered, and each of the other covenants and obligations that the Shareholders or the Company is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all respects.

7.3 CONSENTS. Each of the Consents identified in Part 3.2 of the Disclosure Letter, and each Consent identified in Schedule 4.2, must have been obtained and must be in full force and effect; provided, however, that if any such Consent shall not be obtained at or prior to the Closing, at Parent's option it may require, and the Shareholders and the Company shall cooperate in, any arrangement Parent may reasonably request to provide for the Surviving Corporation the benefits under the Contract or Governmental Authorization requiring such Consent until such time as the Consent can be obtained.

7.4 ADDITIONAL DOCUMENTS. Each of the following documents must have been delivered to Parent and Merger Sub:

(a) an opinion of MacFarlane Ferguson & McMullen, dated the Closing Date, in the form of Exhibit 7.4(a);

(b) a certificate dated the Closing Date executed by the Carrier, in a mutually agreeable form;

(c) a release in the form of Exhibit 7.4(c) executed by each Shareholder (the "Shareholders' Release");

(d) a certificate executed by each Shareholder representing and warranting to Parent and Merger Sub that each of the Company's and the Shareholders' representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date (giving full effect to any supplements to the Disclosure Letter that were delivered to Parent prior to the Closing Date in accordance with Section 5.5), and certifying to Parent and Merger Sub that the Assets and Liabilities Transfer has been completed in accordance with Section 3.6;

(e) financial statements ("Closing Financial Statements") of the Company as of the Closing Date and for the period from the date of the Balance Sheet through the Closing Date, including a computation of the Company's shareholders' equity as of the Closing Date;

(f) such other documents as Parent may reasonably request for the purpose of (i) evidencing the accuracy of any of the Shareholders' and the Company's representations and warranties, (ii) evidencing the performance by the Shareholders and the Company of, or the compliance by the Shareholders and the Company with, any covenant or obligation required to be performed or complied with by it or them, (iii) evidencing the satisfaction of any condition referred to in this Section 7, or (iv) otherwise facilitating the consummation or performance of any of the Contemplated Transactions;

(g) evidence of the IRS' confirmation of the effectiveness of the Company's "S Corporation" status for the year beginning January 1, 2004; and

(h) the Escrow Agreement, executed by the Company and each of the Shareholders.

7.5 NO PROCEEDINGS. Since the date of this Agreement, there must not have been commenced or Threatened against Parent or Merger Sub, or against any Person affiliated with Parent or Merger Sub, any Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (b) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the Contemplated Transactions.

7.6 NO CLAIM REGARDING STOCK OWNERSHIP OR SALE PROCEEDS. There must not have been made or Threatened by any Person any claim asserting that such Person (a) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership

of, any stock of, or any other voting, equity, or ownership interest in, the Company, or (b) is entitled to all or any portion of the Merger Consideration.

7.7 NO PROHIBITION. Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause Parent or Merger Sub or any Person affiliated with Parent or Merger Sub to suffer any material adverse consequence under, (a) any applicable Legal Requirement or Order, or (b) any Legal Requirement or Order that has been published, introduced, or otherwise proposed by or before any Governmental Body.

7.8 ASSETS AND LIABILITIES TRANSFER COMPLETED. The Shareholders, the Company and the Assets and Liabilities Transferee shall have completed the Assets and Liabilities Transfer in accordance with Section 3.6.

7.9 FINANCING. Parent and Merger Sub shall have obtained the financing required to consummate the transactions contemplated by this Agreement

8. CONDITIONS PRECEDENT TO THE SHAREHOLDERS' AND THE COMPANY'S OBLIGATION TO CLOSE

The Shareholders' and the Company's obligation to effect the Merger and to take the other actions required to be taken by the Shareholders and the Company at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Shareholders or the Company, in whole or in part):

8.1 ACCURACY OF REPRESENTATIONS. All of Parent's and Merger Sub's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

8.2 PARENT'S AND MERGER SUB'S PERFORMANCE.

(a) All of the covenants and obligations that Parent or Merger Sub is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been performed and complied with in all material respects.

(b) Parent and Merger Sub must have delivered each of the documents required to be delivered by Parent and Merger Sub pursuant to Section 7.3.

8.3 ADDITIONAL DOCUMENTS. Parent and Merger Sub must have caused the following documents to be delivered to the Shareholders and the Company:

(a) the Escrow Agreement, executed by Parent and Merger Sub; and

(b) such other documents as the Shareholders and the Company may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Parent or Merger Sub, (ii) evidencing the performance by Parent or Merger Sub of, or the compliance by Parent or Merger Sub with, any covenant or obligation required to be performed or complied with by it, (iii) evidencing the satisfaction of any condition referred to in this Section 8, or (iv) otherwise facilitating the consummation of any of the Contemplated Transactions.

8.4 NO INJUNCTION. There must not be in effect any Legal Requirement or any injunction or other Order that (a) prohibits the Merger, and (b) has been adopted or issued, or has otherwise become effective, since the date of this Agreement.

9. TERMINATION

9.1 TERMINATION EVENTS. This Agreement may, by notice given prior to or at the Closing, be terminated:

(a) by either Parent or the Company if a material Breach of any provision of this Agreement has been committed by the other party and such Breach has not been waived;

(b) (i) by Parent or Merger Sub if any of the conditions in Section 7 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Parent or Merger Sub to comply with its obligations under this Agreement) and Parent or Merger Sub has not waived such condition on or before the Closing Date; or (ii) by the Company, if any of the conditions in Section 8 has not been satisfied of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of the Company or the Shareholders to comply with its obligations under this Agreement) and the Company or the Shareholders have not waived such condition on or before the Closing Date; or

(c) by mutual consent of Parent, Merger Sub and the Company.

9.2 EFFECT OF TERMINATION. Each party's right of termination under Section 9.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the parties under this Agreement will terminate, except that the obligations in Sections 12.1 and 12.3 will survive; provided, however, that if this Agreement is terminated by a party because of the Breach of this Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

10. INDEMNIFICATION; REMEDIES

10.1 SURVIVAL; RIGHT TO INDEMNIFICATION NOT AFFECTED BY KNOWLEDGE. All representations, warranties, covenants, and obligations in this Agreement, the Disclosure Letter, the supplements to the Disclosure Letter, the certificate delivered pursuant to Section 7.4(d), and any other certificate or document delivered pursuant to this Agreement will survive the Closing. The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any Knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages, or other remedy based on such representations, warranties, covenants, and obligations.

10.2 INDEMNIFICATION AND PAYMENT OF DAMAGES BY THE SHAREHOLDERS. Each Shareholder and the Assets and Liabilities Transferee, jointly and severally, will indemnify and hold harmless Parent, the Surviving Corporation, the Company, and their respective Representatives, shareholders, controlling persons, and affiliates (collectively, the "Indemnified Persons") for, and will pay to the Indemnified Persons the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim (collectively, "Damages"), arising, directly or indirectly, from or in connection with:

(a) any Breach of any representation or warranty made by the Shareholders or the Company in this Agreement (without giving effect to any supplement to the Disclosure Letter), the Disclosure Letter, the supplements to the Disclosure Letter, or any other certificate or document delivered by the Shareholders or the Company pursuant to this Agreement;

(b) any Breach of any representation or warranty made by the Shareholders or the Company in this Agreement as if such representation or warranty were made on and as of the Closing Date without giving effect to any supplement to the Disclosure Letter, other than any such Breach that is disclosed in a supplement to the Disclosure Letter and is expressly identified in the certificate delivered pursuant to Section 7.4(d) as having caused the condition specified in Section 7.1 not to be satisfied;

(c) any Breach by any Shareholder or the Company of any covenant or obligation of the Shareholders or the Company in this Agreement;

(d) any services provided by the Company prior to the Closing Date;

(e) any claim, action, suit, proceeding or investigation of any kind, at law or in equity, arising out of or based upon any acts, omissions, events or other conditions that occurred

or existed with respect to the Company, its business or its directors, officers, employees, agents or independent contractors, at any time prior to the Closing Date;

(f) any obligations, debts, Taxes, operating expenses, rent, utilities and other liabilities of the Company of any kind, character or description, whether accrued, absolute, contingent or otherwise, arising out of or with respect to, or relating to, (i) any properties, contracts, goodwill, rights and other assets, of whatever kind, nature, character and description, whether tangible or intangible, whether real, personal or mixed, whether accrued, contingent or otherwise, and wherever located, and owned or held by the Company at any time prior to the Closing Date, other than the Retained Assets and Liabilities, and (ii) all liabilities and obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) of the Company at any time prior to the Closing Date other than the Retained Assets and Liabilities; or

(g) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with any Shareholder or the Company (or any Person acting on their behalf) in connection with any of the Contemplated Transactions.

The remedies provided in this Section 10.2 will not be exclusive of or limit any other remedies that may be available to Parent, the Surviving Corporation or the other Indemnified Persons.

10.3 INDEMNIFICATION AND PAYMENT OF DAMAGES BY THE SHAREHOLDERS-ENVIRONMENTAL MATTERS. In addition to the provisions of Section 10.2, the Shareholders and the Assets and Liabilities Transferee, jointly and severally, will indemnify and hold harmless Parent, the Surviving Corporation, the Company, and the other Indemnified Persons for, and will pay to Parent, the Surviving Corporation, the Company, and the other Indemnified Persons the amount of, any Damages (including costs of cleanup, containment, or other remediation) arising, directly or indirectly, from or in connection with:

(a) any Environmental, Health, and Safety Liabilities arising out of or relating to: (i) (A) the ownership, operation, or condition at any time on or prior to the Closing Date of the Facilities or any other properties and assets (whether real, personal, or mixed and whether tangible or intangible) in which any Shareholder or the Company has or had an interest, or (B) any Hazardous Materials or other contaminants that were present on the Facilities or such other properties and assets at any time on or prior to the Closing Date; or (ii) (A) any Hazardous Materials or other contaminants, wherever located, that were, or were allegedly, generated, transported, stored, treated, Released, or otherwise handled by any Shareholder or the Company or by any other Person for whose conduct they are or may be held responsible at any time on or prior to the Closing Date, or (B) any Hazardous Activities that were, or were allegedly, conducted by any Shareholder or the Company or by any other Person for whose conduct they are or may be held responsible; or

(b) any bodily injury (including illness, disability, and death, and regardless of when any such bodily injury occurred, was incurred, or manifested itself), personal injury, property damage (including trespass, nuisance, wrongful eviction, and deprivation of the use of real property), or other damage of or to any Person, including any employee or former employee of any Shareholder or the Company or any other Person for whose conduct they are or may be held responsible, in any way arising from or allegedly arising from any Hazardous Activity conducted or allegedly conducted with respect to the Facilities or the operation of the Company prior to the Closing Date, or from Hazardous Material that was (i) present or suspected to be present on or before the Closing Date on or at the Facilities (or present or suspected to be present on any other property, if such Hazardous Material emanated or allegedly emanated from any of the Facilities and was present or suspected to be present on any of the Facilities on or prior to the Closing Date) or (ii) Released or allegedly Released by any Shareholder or the Company or any other Person for whose conduct they are or may be held responsible, at any time on or prior to the Closing Date.

Parent will be entitled to control any Cleanup, any related Proceeding, and, except as provided in the following sentence, any other Proceeding with respect to which indemnity may be sought under this Section 10.3. The procedure described in Section 10.7 will apply to any claim solely for monetary damages relating to a matter covered by this Section 10.3.

10.4 INDEMNIFICATION AND PAYMENT OF DAMAGES BY PARENT. Parent will indemnify and hold harmless the Shareholders, and will pay to the Shareholders the amount of any Damages arising, directly or indirectly, from or in connection with (a) any Breach of any representation or warranty made by Parent in this Agreement or in any certificate delivered by Parent pursuant to this Agreement, (b) any Breach by Parent of any covenant or obligation of Parent in this Agreement, or (c) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by such Person with Parent (or any Person acting on its behalf) in connection with any of the Contemplated Transactions.

10.5 TIME LIMITATIONS. If the Closing occurs, the Shareholders and the Assets and Liabilities Transferee will have no liability (for indemnification or otherwise) with respect to any covenant or obligation to be performed and complied with prior to the Closing Date, or with respect to any representation or warranty, other than those in Sections 3.1, 3.2, 3.3, 3.7, 3.9, and 3.16, unless on or before the third anniversary of the Closing Date Parent notifies the Shareholders of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by Parent; a claim with respect to Section 3.1, 3.2, 3.3, 3.7, 3.9, or 3.16, or a claim for indemnification or reimbursement not based upon any covenant or obligation to be performed and complied with prior to the Closing Date, may be made at any time. By way of clarification and not limitation, a claim for indemnification or reimbursement relating to any of the items described in Section 10.2(d), (e), (f) or (g) or Section 11.2 may be made at any time. The limitations contained in this Section 10.5 shall not apply to any Damages that may be incurred by virtue of or result from fraud, intentional misrepresentation or intentional breach. If the Closing occurs, Parent will have no liability (for indemnification or otherwise) with respect to any representation or warranty, or covenant or obligation to be performed and complied with

prior to the Closing Date, unless on or before the first anniversary of the Closing Date the Shareholders notify Parent of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by the Shareholders.

10.6 DEFERRED PORTION; RIGHT OF SET-OFF. Upon notice to the Shareholders specifying in reasonable detail the basis for such set-off, Parent may set off any amount to which it or any other Indemnified Person may be entitled under this Section 10 against amounts otherwise payable pursuant to and accordance with Section 2.8(b). The exercise of such right of set-off by Parent in good faith, whether or not ultimately determined to be justified, will not constitute an event of default. Neither the exercise of nor the failure to exercise such right of set-off will constitute an election of remedies or limit Parent in any manner in the enforcement of any other remedies that may be available to it.

10.7 PROCEDURE FOR INDEMNIFICATION – THIRD PARTY CLAIMS.

(a) Promptly after receipt by an indemnified party under Section 10.2, 10.4, or (to the extent provided in the last sentence of Section 10.3) Section 10.3 of notice of the commencement of any Proceeding against it, such indemnified party will, if a claim is to be made against an indemnifying party under such Section, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to any indemnified party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the indemnifying party's failure to give such notice.

(b) If any Proceeding referred to in Section 10.7(a) is brought against an indemnified party and it gives notice to the indemnifying party of the commencement of such Proceeding, the indemnifying party will, unless the claim involves Taxes, be entitled to participate in such Proceeding and, to the extent that it wishes (unless (i) the indemnifying party is also a party to such Proceeding and the indemnified party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurance to the indemnified party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding), to assume the defense of such Proceeding with counsel satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the indemnified party under this Section 10 for any fees of other counselor any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the indemnified party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a Proceeding, (i) it will be conclusively established for purposes of this Agreement that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the indemnifying party without the indemnified party's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party, and (B) the sole relief provided is monetary damages

that are paid in full by the indemnifying party; and (iii) the indemnified party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within ten days after the indemnified party's notice is given, give notice to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the indemnified party.

(c) Notwithstanding the foregoing, if an indemnified party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the indemnified party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise, or settle such Proceeding, but the indemnifying party will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

(d) The Shareholders hereby consent to the non-exclusive jurisdiction of any court in which a Proceeding is brought against any Indemnified Person for purposes of any claim that an Indemnified Person may have under this Agreement with respect to such Proceeding or the matters alleged therein, and agrees that process may be served on each Shareholder with respect to such a claim anywhere in the world.

10.8 PROCEDURE FOR INDEMNIFICATION – OTHER CLAIMS. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice to the party from whom indemnification is sought.

11. ADDITIONAL COVENANTS

11.1 NONCOMPETITION AND OTHER COVENANTS. Each Shareholder hereby covenants and agrees that, until all Renewal Commissions with respect to all of the Policies have been received in full by the Surviving Corporation or its successor or assignee:

(a) Such Shareholder shall not, directly or indirectly, either alone or in conjunction with any other individual, entity or other person, whether as a shareholder, partner, member, manager, joint venturer, investor, consultant or in any other capacity whatsoever, interfere with the Surviving Corporation's status as agent of record with respect to the Policies or the administration and servicing in connection with the Policies and the insureds thereunder; provided that it shall not be deemed a violation by a Shareholder of this provision if it is an indirect violation without the Knowledge of the Shareholder. Where necessary, such Shareholder shall continue to act in a manner consistent with such Shareholder's past practice and with the same degree of care that such Shareholder would exercise in the administration and servicing of policies and insureds not the subject of this Agreement, in a good faith effort to maintain historical retention rates.

(b) Such Shareholder shall not, directly or indirectly, either alone or in conjunction with any other individual, entity or other person, whether as a shareholder, partner, member, manager, joint venturer, investor, consultant or in any other capacity whatsoever, solicit or otherwise encourage any insured under any of the Policies to cancel or cause the lapse of any Policy; provided that it shall not be deemed a violation by a Shareholder of this provision if it is an indirect violation without the Knowledge of the Shareholder.

(c) Such Shareholder shall not, directly or indirectly, either alone or in conjunction with any other individual, entity or other person, whether as a shareholder, partner, member, manager, joint venturer, investor, consultant or in any other capacity whatsoever, retain any portion of any premium or other payment received with respect to any Policy, and shall promptly deliver the entire amount of any payment so received to the applicable insurance carrier or other person entitled thereto. If, notwithstanding the foregoing, such Shareholder ever receives any amount of the Renewal Commissions, such Shareholder shall promptly (and in any event within five business days) deliver same to the Surviving Corporation or its successor or assignee.

(d) Such Shareholder shall not, directly or indirectly, either alone or in conjunction with any other individual, entity or other person, whether as a shareholder, partner, member, manager, joint venturer, investor, consultant or in any other capacity whatsoever, take any action to terminate, or which could reasonably be expected to result in the termination of, any of the Company's sales agreements or Policies; provided that it shall not be deemed a violation by a Shareholder of this provision if it is an indirect violation without the Knowledge of the Shareholder. Such Shareholder shall immediately notify Parent of any potential termination of any sales agreement or Policy of which such Shareholder may become aware, or of the receipt of any notice of any breach, default, or cancellation under any sales agreement or applicable to any Policy.

(e) Such Shareholder will use his best efforts to facilitate any servicing issues and to assist the Surviving Corporation with respect to any cancellation or lapse of any Policy.

11.2 SHAREHOLDERS' RESPONSIBILITIES FOR TAXES

(a) The Shareholders shall be responsible for preparing and timely filing, at their sole expense and in compliance with all applicable laws and regulations, any and all Tax Returns required to be filed in respect of any Taxes of the Company with respect to any taxable year or period ending on or prior to the Closing Date (including, without limitation, all income Tax Returns for the short taxable year ending on the Closing Date). The Shareholders shall timely pay all Taxes payable with respect to any such taxable year or period (including, without limitation the short taxable year ending on the Closing Date).

(b) The Shareholders, jointly and severally, shall indemnify and hold Parent, the Surviving Corporation and any other Indemnified Person harmless from and against any Damages incurred by Parent, the Surviving Corporation or any other Indemnified Person arising out of or based upon:

(i) any Taxes with respect to any taxable year or period ending on or prior to the Closing Date (including, without limitation, all income Tax Returns for the short taxable year ending on the Closing Date);

(ii) the portion of any Taxes with respect to any taxable year or period beginning before and ending after the Closing Date that is attributable to the portion of such year or period prior to the Closing Date; or

(iii) any audit relating to any Tax Return or any Taxes referred to in this Section 11.2.

11.3 PARENT'S RESPONSIBILITIES FOR TAXES. Parent shall indemnify and hold the Shareholders harmless from and against any and all Taxes due by the Company for any taxable year or period beginning on or after the Closing Date and the portion of any such Taxes with respect to any taxable year or period beginning before and ending after the Closing Date that is attributable to the portion of such year or period beginning on the Closing Date. Parent shall indemnify and hold the Shareholders harmless from and against any Damages incurred by the Shareholders and arising out of or based upon any such Taxes and any audit relating to any such Taxes or any related Tax Return. Notwithstanding the foregoing or any other provision in this Agreement to the contrary, Parent shall not be required to indemnify the Shareholders for any Taxes due by the Shareholders or the Company as a result of or in connection with the Election described in Section 11.5 below.

11.4 AUDITS, ETC. The parties agree to promptly notify each other upon receipt of notice of any audit of the Company for any taxable year or period ending prior to or including the Closing Date, and agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information (including access to books and records) and assistance relating to the Company as is reasonably necessary for the preparation and filing of any Tax Return, for the preparation for any audit, and for the prosecution or defense of any claim, suit or proceeding relating to any proposed adjustment of Taxes. The parties shall cooperate with each other in the conduct of any audit and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section; provided, that notwithstanding anything herein or in Section 10 to the contrary, Parent, in good faith consultation with the Shareholders, shall have the right to control and direct the manner and the resolution of any audit involving the Company.

11.5 SECTION 338(h)(10) ELECTION. Parent, Merger Sub and the Shareholders agree that, to the extent permitted under applicable federal and state tax laws, the Merger shall, for purposes of all Taxes, be treated as a sale by the Company of its assets and properties. In furtherance thereof, Parent, Merger Sub and the Shareholders shall jointly make the election provided in Section 338(h)(10) of the IRC and, to the extent permitted under applicable state tax laws, shall also make or be deemed to make such election or any similar election under and for purposes of all other Taxes (the "Election"). Parent, Merger Sub and the Shareholders shall execute and timely file IRS Form 8023, Elections Under Section 338 for Corporations Making

Qualified Stock Purchase, IRS Form 8883, Allocation Statement Under Section 338, and all accompanying schedules to such forms and all other forms, elections and statements required by the IRS or any other authority or agency responsible for the administration of any Taxes to which the Shareholders or the Company may be subject that are necessary or appropriate to effectuate, complete, evidence and confirm the Election. Parent, Merger Sub, the Shareholders and the Company shall file all Tax Returns in a manner consistent with the foregoing. Parent, Merger Sub and the Shareholders agree that the Merger Consideration shall be allocated among the seven different classes of assets described on IRS Form 8883 in accordance with the allocation attached hereto as Exhibit 11.5 with only such changes as are mutually agreed to by Parent, Merger Sub and the Shareholders.

11.6 INSPECTION RIGHTS. In the event of a dispute as to the payment of the Escrow Fund to the Shareholders, the Shareholders shall have the right to inspect the commission statements and records relating to the receipt of funds from the Carrier that are in the possession of the Surviving Corporation or Parent which are expressly related to the Policies and the Renewal Commissions, with the cost of any such inspection to be borne by the Shareholders. The Surviving Corporation and Parent will make such records available at their respective offices or such other location designed by them.

12. GENERAL PROVISIONS

12.1 EXPENSES. Except as otherwise expressly provided in this Agreement, each party to this Agreement will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the Contemplated Transactions, including all fees and expenses of agents, representatives, counsel, and accountants. The Shareholders will cause the Company not to, and the Company will not, incur any out-of-pocket expenses in connection with this Agreement. In the event of termination of this Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of this Agreement by another party.

12.2 PUBLIC ANNOUNCEMENTS. Any public announcement or similar publicity with respect to this Agreement or the Contemplated Transactions will be issued, if at all, at such time and in such manner as Parent determines. Unless consented to by Parent in advance or required by Legal Requirements, prior to the Closing the Shareholders and the Company shall keep this Agreement strictly confidential and may not make any disclosure of this Agreement to any Person. The Shareholders and Parent will consult with each other concerning the means by which the Company's employees, customers, and suppliers and others having dealings with the Company will be informed of the Contemplated Transactions, and Parent will have the right to be present for any such communication.

12.3 CONFIDENTIALITY. Between the date of this Agreement and the Closing Date, the parties hereto will maintain in confidence, and will cause their respective directors, officers, employees, agents, and advisors to maintain in confidence, any written, oral, or other information obtained in confidence from another party or the Company in connection with this Agreement or the Contemplated Transactions, unless (a) such information is already known to such party or to

others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such party, (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the Contemplated Transactions, or (c) the furnishing or use of such information is required by legal proceedings.

If the Contemplated Transactions are not consummated, each party will return or destroy as much of such written information as the other party may reasonably request.

12.4 NOTICES. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by telecopier (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate by notice to the other parties):

SHAREHOLDERS:

Tim North
2536 Countryside Boulevard
Clearwater, FL 33763
Telecopier No.: (727) 726-8076

PARENT OR MERGER SUB:

TWG Capital, Inc.
6666 E. 75th Street, Suite 500
Indianapolis, IN 46250
Telecopier No.: (317) 813-1701

12.5 JURISDICTION; SERVICE OF PROCESS. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the United States District Court for the District of Southern Indiana, or if such court does not have jurisdiction, then in the courts of the State of Indiana, County of Marion, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world. Notwithstanding the foregoing, in the event of a dispute between the parties with respect to the disbursement of the Escrow Funds, the parties will reasonably and diligently attempt to reconcile their differences amicably. Failing to so reconcile any such differences, the parties will solely resort to resolution through binding arbitration by a panel of

three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association but subject to the Federal Rules of Civil Procedure and the Federal Rules of Discovery, with such arbitration to be held in Indianapolis, Indiana. The non-prevailing party in any arbitration shall pay the cost of the arbitration, as well as the prevailing party's costs, including without limitation attorney's fees.

12.6 FURTHER ASSURANCES. The parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement. Without limitation of the foregoing, at and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of the Company or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Merger Sub, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

12.7 WAIVER. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

12.8 ENTIRE AGREEMENT AND MODIFICATION. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

12.9 DISCLOSURE LETTER.

(a) The disclosures in the Disclosure Letter, and those in any supplement thereto, must relate only to the representations and warranties in the Section of the Agreement to which they expressly relate and not to any other representation or warranty in this Agreement.

(b) In the event of any inconsistency between the statements in the body of this Agreement and those in the Disclosure Letter (other than an exception expressly set forth as such in the Disclosure Letter with respect to a specifically identified representation or warranty), the statements in the body of this Agreement will control.

12.10 ASSIGNMENTS, SUCCESSORS, AND NO THIRD-PARTY RIGHTS. Neither party may assign any of its rights under this Agreement without the prior consent of the other party except that Parent or Merger Sub may assign any of its rights under this Agreement to any of its affiliates. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. Except as otherwise expressly provided herein, this Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

12.11 SEVERABILITY. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

12.12 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

12.13 TIME OF ESSENCE. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

12.14 GOVERNING LAW. This Agreement will be governed by the laws of the State of Indiana without regard to conflicts of laws principles.

12.15 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

PARENT:

TWG CAPITAL, INC.

By /s/ Melanie S. Otto
Name: Melanie S. Otto
Title: President and Chief Financial Officer

MERGER SUB:

TWG ACQUISITION CORPORATION

By /s/ Melanie S. Otto
Name: Melanie S. Otto
Title: President

COMPANY:

SENIOR HEALTH DIVISION, INC.

By: /s/ Ken Boesch Jr.
Name: Ken Boesch Jr.
Title: President

SHAREHOLDERS:

/s/ Gary Boesch
Gary Boesch

/s/ Ken Boesch Jr.
Ken Boesch Jr.

/s/ Ken Boesch III
Ken Boesch III

/s/ Larry L. Kemp
Larry L. Kemp

LIMITED JOINDER

The undersigned, Agent Distribution Center, LLC, hereby joins in the foregoing Agreement and Plan of Merger, dated as of April 7, 2004, solely for the purpose and to the extent of agreeing to being obligated and bound to Article 10 thereof.

AGENT DISTRIBUTION CENTER, LLC

By: /s/ Ken Boesch III
Name: Ken Boesch III
Title: President

EXHIBIT TO

ARTICLES OF MERGER
OF

TWG ACQUISITION CORPORATION
(an Indiana corporation)

WITH AND INTO

SENIOR HEALTH DIVISION, INC.
(a Florida corporation)

Following the effectiveness of the merger of TWG Acquisition Corporation with and into Senior Health Division, Inc., the officers and directors of Senior Health Division, Inc., the Surviving Corporation, will be as follows:

Name	Title	Address
Melanie S. Otto	Director, President, Secretary and Treasurer	6666 East 75th Street Suite 500 Indianapolis, IN 46250