

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BROWN & BROWN, INC.

(Exact name of Registrant as Specified in its Charter)

FLORIDA	59-0864469
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

220 South Ridgewood Avenue
Daytona Beach, Florida 32114
(386) 252-9601

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Laurel L. Grammig, Esq.
Vice President, Secretary and General Counsel

Brown & Brown, Inc.
401 East Jackson Street, Suite 1700
Tampa, Florida 33602
(813) 222-4100

(Name, address, including zip code, and telephone number including area code, of registrant's agent for service)

Copies to:
Chester E. Bacheller, Esq.
Holland & Knight LLP
400 North Ashley Drive
Suite 2300
(813) 227-8500

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this Registration Statement, as determined by market conditions.

If the only securities being registered on this form are being offered pursuant to dividend reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$.10 par value(1)	327,379 shares	\$30.65(2)	\$10,034,166	\$2,509
Common Stock Purchase Rights (3)				

(1) Outstanding shares held by certain selling shareholders.

(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and based on the average high and low prices reported for March 27, 2001.

(3) Each share of common stock is accompanied by a common stock purchase right pursuant to a Rights Agreement, dated as of July 30, 1999, between the Registrant and First Union National Bank, as rights agent.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

Subject To Completion, Dated March 30, 2001

PROSPECTUS

327,379 SHARES

BROWN & BROWN, INC.

Common Stock

These shares of common stock are being sold by the selling shareholders listed on page 9. Brown & Brown will not receive any proceeds from the sale of these shares.

Brown & Brown's common stock is traded on the New York Stock Exchange under the symbol "BRO." The last reported sale price on March 29, 2001 was \$32.40 per share.

The common stock may be sold in transactions on the New York Stock Exchange at market prices then prevailing, in negotiated transactions, or otherwise. See "Plan of Distribution."

INVESTING IN THESE SECURITIES INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 4 OF THIS PROSPECTUS.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 30, 2001.

TABLE OF CONTENTS

Forward-Looking Statements 1

Summary - Questions and Answers About this Offering 2

Page

About Brown & Brown 3

Recent Developments 3

Risk Factors 4

Selling Shareholders 10

Plan of Distribution 11

Legal Matters 12

Experts 12

Where You Can Find Additional Information 12

Incorporation of Certain Documents by Reference 13

FORWARD-LOOKING STATEMENTS

We make "forward-looking statements" within the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995 throughout this prospectus and in the documents we incorporate by reference into this prospectus. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "estimate," "plan" and "continue" or similar words. We have based these statements on our current expectations about future events. Although we believe that our expectations reflected in or suggested by our forward-looking statements are reasonable, we cannot assure you that these expectations will be achieved. Our actual results may differ materially from what we currently expect. Important factors which could cause our actual results to differ materially from the forward-looking statements in this prospectus or in the documents that we incorporate by reference into this prospectus include:

- material adverse changes in economic conditions in the markets we serve;
- future regulatory actions and conditions in the states in which we conduct our business;
- competition from others in the insurance agency business;
- the integration of our operations with those of businesses or assets we have acquired or may acquire in the future and the failure to realize of the expected benefits of such integration; and
- other risks and uncertainties as may be detailed from time to time in our public announcements and Securities and Exchange Commission filings.

You should read this prospectus and the documents that we incorporate by reference into this prospectus completely and with the understanding that our actual future results may be materially different from what we expect. We may not update these forward-looking statements, even though our situation will change in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

In this prospectus, "Brown & Brown," "we," "us" and "our" refers to Brown & Brown, Inc., its wholly owned subsidiaries and all predecessor entities collectively, unless the context requires otherwise.

SUMMARY

QUESTIONS AND ANSWERS ABOUT THIS OFFERING

- **WHAT IS THE PURPOSE OF THIS OFFERING?**

A. The purpose of this offering is to register the resale of common stock received by the selling shareholders in connection with the acquisitions by Brown & Brown of the following Louisiana corporations, known collectively as The Huval Companies: Huval Insurance Agency, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc, Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., Huval Richard Insurance Agency, Inc., Cost Management Services, Inc., Insurance Programs Incorporated, Huval

Insurance Agency of Abbeville, Inc., and Benesys, Inc. Selling shareholders are required to deliver a copy of this prospectus in connection with any sale of shares.

Q. ARE THE SELLING SHAREHOLDERS REQUIRED TO SELL THEIR SHARES OF BROWN & BROWN COMMON STOCK?

A. No. The selling shareholders are not required to sell their shares of common stock.

Q. HOW LONG WILL THE SELLING SHAREHOLDERS BE ABLE TO USE THIS PROSPECTUS?

A. Under the terms of stock acquisition agreements between Brown & Brown and the selling shareholders, Brown & Brown agreed to keep this prospectus effective for a period expiring on the earlier of (1) the date on which all of the selling shareholders' shares have been sold, (2) the date on which all such shares are eligible for sale pursuant to Rule 144 under the Securities Act of 1933, as amended (the "Securities Act") or (3) one year from the closing date of the acquisition in which the selling shareholder received such shares. After that, the selling shareholders will no longer be able to use this prospectus to sell their shares.

ABOUT BROWN & BROWN

We are a diversified insurance brokerage and agency that markets and sells primarily property and casualty insurance products and services to its clients. Because we do not engage in underwriting activities, we do not assume underwriting risks. Instead, we act in an agency capacity to provide our customers with targeted, customized risk management products.

As of December 31, 2000, our activities were conducted in 39 locations in 12 states; however, with the acquisitions consummated in 2001, we currently have 108 locations in 24 states. Of the 108 locations, 28 are in Florida; 19 in New York; nine in Minnesota; eight in Virginia; seven in Louisiana; five in Colorado; four in South Carolina; three each in Arizona, Georgia and North Dakota; two each in California, Michigan, New Jersey, New Mexico and Texas; and one each in Indiana, Iowa, Nevada, Ohio, Pennsylvania, Tennessee, West Virginia, Wisconsin, and Wyoming. Because a significant amount of our business is concentrated in Arizona, Florida, and New York, the occurrence of adverse economic conditions or an adverse regulatory climate in these states could have a materially adverse effect on our business, although we have not encountered such conditions in the past.

Our business is divided into four divisions: (i) the Retail Division; (ii) the National Programs Division; (iii) the Service Division; and (iv) the Brokerage Division. The Retail Division is composed of Brown & Brown employees who market and sell a broad range of insurance products to insureds. The National Programs Division works with underwriters to develop proprietary insurance programs for specific niche markets. These programs are marketed and sold primarily through independent agencies and agents across the United States. We receive an override on the commissions generated by these independent agencies. The Service Division provides insurance-related services such as third-party administration and consultation for workers' compensation and employee benefit markets. The Brokerage Division markets and sells excess and surplus commercial insurance, as well as certain niche programs, primarily through independent agents. For the fiscal year ended December 31, 2000, we achieved commission and fee revenues of approximately \$204.9 million.

RECENT DEVELOPMENTS

Since December 31, 2000, we have acquired six insurance agencies, based in Tampa, Florida; Rochester, New York; Lafayette, Louisiana; Thousand Oaks, California; Rome, New York; and Titusville, Florida. One of these six acquisitions involves the acquisition of several agencies known collectively as The Huval Companies, based in Lafayette, Louisiana, pursuant to which the shares registered hereunder were issued to the shareholders of The Huval Companies as consideration for the acquisition. As mentioned above, with these acquisitions, we now have 108 offices in 24 states. In particular, on January 3, 2001, we completed the acquisition of all of the insurance agency business-related assets of Riedman Corporation, headquartered in Rochester, New York with offices located in 13 states. Simultaneously with this transaction, Brown & Brown of Wyoming, Inc., a wholly-owned subsidiary of Brown & Brown, acquired all of the insurance agency business-related assets of Riedman Insurance of Wyoming, Inc., a wholly-owned subsidiary of Riedman based in Cheyenne, Wyoming.

For other recent developments, we refer you to our most recent and future filings under the Securities Exchange Act of 1934.

Our principal executive offices are located at 220 South Ridgewood Avenue, Daytona Beach, Florida 32114, and 401 East Jackson Street, Suite 1700, Tampa, Florida 33602, and our telephone numbers at those addresses are (386) 252-9601 and (813) 222-4100, respectively. Our website is located at <http://www.bbinsurance.com>. Information contained in our website is not a part of this document.

RISK FACTORS

Our commission revenues are dependent on premium rates charged by insurers, which are subject to fluctuation

We are primarily engaged in insurance agency and brokerage activities, and derive revenues from commissions paid by insurance companies and fees for administration and benefit consulting services. We do not determine insurance premiums. Historically, property and casualty premiums have been cyclical in nature and have varied widely based on market conditions. Since the mid-

1980s, general premium levels have been depressed as a result of the expanded underwriting capacity of insurance companies and increased competition. In many cases, insurance companies have lowered commission rates and increased volume requirements. Significant reductions in premium rates occurred during the years 1987 through 1989 and continued, although to a lesser degree, through 1999. The effect of this softness in rates on our revenues was somewhat offset by our acquisitions and new business production. As a result of increasing loss ratios of insurance carriers through 1999, there was a general increase in premium rates beginning in the first quarter of 2000 and continuing through the fourth quarter of 2000. Although the premium increases varied by line of business, geographical region, insurance carrier and specific underwriting factors, it was the first time since 1987 that we operated in an environment of increased premiums for four consecutive quarters. We cannot predict the timing or extent of premium pricing changes as a result of market fluctuations or their effect on our operations in the future.

We rely on a significant underwriter

The programs offered by our National Programs Division are primarily underwritten by the CNA Insurance Companies (CNA). For the year ended December 31, 2000, approximately \$7.5 million, or 39.2%, of our National Programs Division's commissions and fees were generated from policies underwritten by CNA. During the same period, our National Programs Division represented 9.8% of our total commission and fee revenues. In addition, for the same period, approximately \$7.4 million, or 5.1%, of our Retail Division's total commissions and fees were generated from policies underwritten by CNA. Accordingly, revenues attributable to CNA represent approximately 7.4% of our total commissions and fees. These dollar amounts and percentages represent a decline in recent years of revenues generated by policies underwritten by CNA. This decline results from certain of our programs and program accounts moving from CNA to other carriers such as, for example, our Lawyer's Protector Plan® moving from CNA to Clarendon National Insurance Company in November of 1999.

We have an agreement with CNA relating to each program underwritten by it and each such agreement provides for either six months' or one year's advance notice of termination. In addition, we have an existing credit agreement with CNA under which \$3 million is currently outstanding. Upon the occurrence of an event of default by us under this credit agreement, including our termination of any insurance program agreement with CNA, CNA may, at its option, declare any unpaid balance due and payable on demand.

Although we believe we have a good relationship with CNA, there is no assurance that future events will not produce changes in the relationship. If the relationship were terminated, we believe that other insurance companies would be available to underwrite the business, although some additional expense and loss of market share would result.

Our business is highly concentrated in Arizona, Florida and New York

For the year ended December 31, 2000, our Retail Division derived \$14.9 million, or 10.4%, and \$83.0 million, or 57.7%, of its commissions and fees from its Arizona and Florida operations, respectively, constituting 7.3% and 40.5%, respectively, of our total commissions and fees. We believe that these revenues are attributable predominately to customers in Arizona and Florida. Additionally, as a result of the Riedman Insurance acquisition in January 2001, we now have four additional Florida offices and have folded other Riedman insurance business into our existing Florida offices. For the year ended December 31, 2000, Riedman derived \$9.9 million, or 18.2% of its commissions and fees from its Florida operations. Additionally, as a result of this acquisition, we now have 19 offices in New York, where \$15.1 million, or 27.8%, of Riedman's insurance business was concentrated as of December 31, 2000. We believe the regulatory environment for insurance agencies in Arizona, Florida and New York currently is no more restrictive than in other states. The insurance business is a state-regulated industry, however, and there is no assurance that the current regulatory environment will remain unchanged. In addition, the occurrence of adverse economic conditions, natural disasters, or other circumstances specific to Arizona, Florida and/or New York could have a material adverse effect on our business.

Our success depends upon our retaining key management personnel

Although we operate with a decentralized management system, the loss of the services of J. Hyatt Brown, our Chairman, President and Chief Executive Officer, who beneficially owns approximately 18.7% of our outstanding common stock, could materially adversely affect our business. We maintain a \$5 million "key man" life insurance policy with respect to Mr. Brown. We also maintain a \$20 million insurance policy on the lives of Mr. Brown and his wife. Under the terms of an agreement with Mr. and Mrs. Brown, at the option of the Brown estate, we will purchase, upon the death of the later to die of Mr. Brown or his wife, shares of our common stock owned by Mr. and Mrs. Brown up to a maximum number that would exhaust the proceeds of the policy. If the Brown estate were to make such an election, none of the proceeds of this \$20 million policy would be available to us for use in our ongoing operations.

We intend to pursue acquisitions, which may or may not be available on acceptable terms in the future and which, if consummated, may or may not be advantageous to us

Our growth strategy includes the acquisition of insurance agencies. There can be no assurance that we will be able successfully to identify suitable acquisition candidates, complete acquisitions, integrate acquired businesses into our operations, or expand into new markets. Once integrated, acquired entities may not achieve levels of revenue, profitability, or productivity comparable to our existing locations, or otherwise perform as expected. We are unable to predict whether or when any prospective acquisition candidates will become available or the likelihood that any acquisition will be completed should any negotiations commence. We compete for acquisition and expansion opportunities with entities that have substantially greater resources. In addition, acquisitions involve a number of special risks, such as: diversion of management's attention; difficulties in the integration of acquired operations and retention of personnel; entry into unfamiliar markets; unanticipated problems or legal liabilities; and tax and accounting issues, some or all of which could have a material adverse effect on our results of operations and financial condition.

We compete with companies that have greater financial resources

The insurance agency business is highly competitive and we actively compete with numerous firms for customers and insurance carriers. Although we are the largest insurance agency headquartered in Florida and were ranked, prior to the Riedman Insurance acquisition, as the nation's ninth-largest insurance agency by *Business Insurance* magazine, a number of firms with significantly greater resources and market presence than we have compete with us in Florida and elsewhere. This situation is particularly pronounced outside of Florida.

A number of insurance companies are engaged in the direct sale of insurance, primarily to individuals, and do not pay commissions to agents and brokers. To date, such direct writing has had relatively little effect on our operations, primarily because our Retail Division is commercially oriented.

In addition, to the extent that the Gramm-Leach-Bliley Financial Services Modernization Act of 1999 and regulations newly enacted thereunder permit banks, securities firms and insurance companies to affiliate, the financial services industry may experience further consolidation, which in turn could result in us facing increased competition from diversified financial institutions.

Effect of possible tort reform

Legislation concerning tort reform is currently being considered in the United States Congress and in several states. Among the provisions being considered for inclusion in such legislation are limitations on damage awards, including punitive damages, and various restrictions applicable to class action lawsuits, including lawsuits asserting professional liability of the kind for which insurance is offered under policies sold by our National Programs Division. Enactment of these or similar provisions by Congress or by states in which we sell insurance, could result in a reduction in the demand for liability insurance policies or a decrease in policy limits of such policies sold, thereby reducing our commission revenues. We cannot predict whether any such legislation will be enacted or, if enacted, the form such legislation will take, or the effect, if any, such legislation could have on our operations.

Adverse effect of legislation and regulatory actions on our business

We conduct business in a number of states and are subject to comprehensive regulation and supervision by government agencies in many of these states in which we do business. The primary purpose of such regulation and supervision is to provide safeguards for policyholders rather than to protect the interests of stockholders. The laws of the various state jurisdictions establish supervisory agencies with broad administrative powers with respect to, among other things, licensing to transact business, licensing of agents, admittance of assets, regulating premium rates, approving policy forms, regulating unfair trade and claims practices, establishing reserve requirements and solvency standards, requiring participation in guarantee funds and shared market mechanisms, and restricting payment of dividends. Also, in response to perceived excessive cost or inadequacy of available insurance, states have from time to time created state insurance funds and assigned risk pools, which compete directly, on a subsidized basis, with private insurance providers. We act as agents and brokers for state insurance funds such as these in certain states. Therefore, such state funds could choose to reduce the sales or brokerage commissions we receive. Any such event, in a state in which we have substantial operations, could substantially affect the profitability of our operations in such state, or cause us to change our marketing focus. Further, state insurance regulators and the National Association of Insurance Commissioners continually re-examine existing laws and regulations. It is impossible to predict the future impact of potential state and federal regulations on our operations, and there can be no assurance that future insurance-related laws and regulations, or the interpretation thereof, will not have a material adverse effect on our business.

Carrier override and contingent commissions are less predictable than usual

We derive a portion of our revenues from carrier override and contingent commissions. Contingent commissions are paid by insurance underwriters and are based on the profit that the underwriter makes on the overall volume of business that we place with that underwriter. We generally receive these commissions in the first and second quarters of each year. Override commissions are paid by insurance underwriters based on the volume of business that we place with them and are generally paid over the course of the year. Due to recent changes in our industry, including changes in underwriting criteria due in part to the high loss ratios experienced by insurance carriers, we cannot predict the payment of these commissions as well as we have been able to in the past. These commissions affect our revenues, and any decrease in their payment to us could have an adverse effect on our operations. Further, we have no control over the ability of insurance carriers to estimate loss reserves, which affects our ability to make profit-sharing calculations. The aggregate of these commissions generally account for 3.1% to 5.3% of our total revenues.

The general level of economic activity can have an impact on our business that is difficult to predict

The volume of insurance business available to our business has historically been influenced by factors such as the health of the overall economy. The specific impact of the health of the economy on our revenues, however, can be difficult to predict. When the economy is strong, insurance coverages typically increase as payrolls, inventories and other insured risks increase. The insurance commissions we receive generally would be expected to increase. As discussed above, however, our commission revenues are highly dependent on premium rates charged by insurers, and these rates are subject to fluctuation based on prevailing economic and competitive conditions. As a result, the higher commission revenues we generally would expect to see in a strong economic period may not necessarily occur, as any increase in the volume of insurance business brought about by favorable economic conditions may be offset by premium rates that have declined in response to increased competitive conditions, among other factors.

If we are unable to respond in a timely and cost-effective manner to rapid technological change in our industry, there may be a resulting adverse effect on our business and operating results

Frequent technological changes, new products and services and evolving industry standards are all influencing the insurance business. The Internet, for example, is increasingly used to transmit benefits and related information to customers and to facilitate business-to-business information exchange and transactions. We believe that we have actively responded to explore and integrate new information technology into our profit centers' operations. We believe that the development and implementation of new technologies will require additional investment of our capital resources in the future. We have not determined, however, the amount of resources and the time that this development and implementation may require.

There is a risk that we may not successfully identify new product and service opportunities or develop and introduce these opportunities in a timely and cost-effective manner. In addition, opportunities that our competitors develop or introduce may render our products and services noncompetitive. As a result, we can give no assurances that technological changes that may affect our industry in the future will not have a material adverse effect on our business and operating results.

Quarterly and annual variations in our commissions that result from the timing of policy renewals and the net effect of new and lost business production may have unexpected effects on our results of operations

Our commission income (including contingent commissions but excluding fees), which typically accounts for approximately 86% to 89% of our total annual revenues, can vary quarterly or annually due to the timing of policy renewals and the net effect of new and lost business production. The factors that cause these variations are not within our control. Specifically, consumer demand for insurance products can influence the timing of renewals, new business and lost business, which includes generally policies that are not renewed and cancellations. In addition, as discussed, we rely on insurance underwriters for the payment of certain commissions. Because these payments are processed internally by these underwriters, we may not receive a payment that is otherwise expected from a particular underwriter in one of our quarters or years until after the end of that period.

We generally expect, however, our revenues to increase with new business and to decrease with lost business. The extent of quarterly and annual fluctuations based on these increases and decreases, and the increases and decreases that may be associated with policy renewals, may be difficult to predict for any period.

SELLING SHAREHOLDERS

The selling shareholders listed below received their shares of Brown & Brown common stock in connection with the acquisition by Brown & Brown of all of the outstanding capital stock of those corporations known as The Huval Companies. See "Summary - Questions and Answers About This Offering." The Huval Companies are located throughout southwestern and northern Louisiana. All of the selling shareholders have certain registration rights under the stock acquisition agreements entered into in connection with the foregoing acquisitions.

The information included below is based upon information provided by the selling shareholders as of the date of this prospectus. Because the selling shareholders may offer all, some, or none of their shares of common stock, no definite estimate as to the number of shares of common stock or the percentage thereof that will be held by the selling shareholders after such offering can be provided and the following table has been prepared on the assumption that all shares of common stock offered under this prospectus will be sold.

Except as described in the table, none of the selling shareholders has held any position or office or had a material relationship with Brown & Brown or any of its affiliates within the past three years other than as a result of the ownership of Brown & Brown's common stock. The information is "as of" the date of this prospectus but may be amended or supplemented after this date.

<u>Selling Shareholder</u>	Position with <u>Brown & Brown</u>	Shares Beneficially Owned (1)	Shares Which May		
			Be Sold Pursuant To This Prospectus (2)	Shares Beneficially Owned After Offering	
				Number	Percent
Thomas K. Huval	Employee	86,164	86,164		
Dale F. Pontiff	Employee	86,164	86,164	---	*
Kathryn H. Pontiff	Employee	85,826	85,826	---	*
Mark W. Gagnard	Employee	37,174	37,174	---	*
Denny R. Bass	Employee	18,466	18,466	---	*
Glenn P. Landry	Employee	7,466	7,466	---	*
Dianne Flores	Employee	5,621	5,621	---	*
Joseph Dwayne Pontiff	---	338	338	---	*

Kenneth Ray Richard	---	32	32	---	*
Janet Marie Richard Ward		32	32		*
Nanette Agnes Richard Arnaud		32	32		*
Wendell Scott Richard	---	32	32	---	*
Thaddeus Richard	---	32	32	---	*

- less than 1%.

1. Includes any shares as to which the individual or entity has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of the date of this prospectus through the exercise of any stock option or other right. Unless otherwise indicated in the footnotes, each shareholder has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares shown as beneficially owned.
2. See "Plan of Distribution."

PLAN OF DISTRIBUTION

Brown & Brown is registering the shares on behalf of the selling shareholders. References in this section to selling shareholders also include any permitted pledgees, donees or transferees identified in a supplement to this prospectus, if necessary. The common stock covered by this prospectus may be offered and sold from time to time by the selling shareholders, including in one or more of the following transactions:

- on the New York Stock Exchange;
- in transactions other than on the New York Stock Exchange;
- in connection with "short sales";
- by pledge to secure debts and other obligations;
- in connection with the writing of options, in hedge transactions and in settlement of other transactions in standardized or over-the-counter options;
- in a combination of any of the above transactions; or
- pursuant to Rule 144 under the Securities Act, assuming the availability of an exemption from registration.

The selling shareholders may sell their shares at market prices prevailing at the time of sale, at prices related to prevailing market prices, at negotiated prices or at fixed prices.

Broker-dealers that are used to sell shares will either receive discounts or commissions from the selling shareholders, or will receive commissions from the purchasers for whom they acted as agents.

The sale of common stock by the selling shareholders is subject to compliance by the selling shareholders with certain contractual restrictions with Brown & Brown, including those contained in the stock acquisition agreements between Brown & Brown and the selling shareholders. There can be no assurance that the selling shareholders will sell all or any of the common stock.

Brown & Brown has agreed to keep this prospectus effective for a period expiring on the earlier of (1) the date on which all of the selling shareholders' shares have been sold, (2) the date on which all such shares are eligible for sale pursuant to Rule 144 under the Securities Act, or (3) one year from the closing date of the acquisition in which the selling shareholders received such shares. Brown & Brown intends to de-register any of the common stock not sold by the selling shareholders immediately after the expiration of such period. After such period, the selling shareholders will no longer be able to use this prospectus to sell their shares.

Brown & Brown and the selling shareholders have agreed to customary indemnification obligations with respect to the sale of common stock by use of this prospectus.

LEGAL MATTERS

Certain legal matters with respect to the validity of the shares offered hereby will be passed upon for Brown & Brown by Holland & Knight LLP, Tampa, Florida.

EXPERTS

The financial statements and schedule of Brown & Brown incorporated by reference in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

The financial statements and schedule of Riedman Insurance (a division of Riedman Corporation) incorporated by reference in this prospectus and elsewhere in the registration statement have been audited by KPMG LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Those reports, proxy statements and other information may be obtained:

- At the Public Reference Room of the SEC, Room 1024 - Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549;
- At the public reference facilities at the SEC's regional offices located at Seven World Trade Center, 13th Floor, New York, New York 10048 or Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661;
- From the SEC, Public Reference Section, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549;
- At the offices of The New York Stock Exchange, 20 Broad Street, New York, New York 10005; and
- From the Internet site maintained by the SEC at <http://www.sec.gov>, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Some locations may charge prescribed or modest fees for copies.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents:

- Annual Report on Form 10-K for the year ended December 31, 2000 (including information specifically incorporated by reference into our Form 10-K from our definitive Proxy Statement).
- Amendment to Annual Report on Form 10-K/A, filed with the SEC on March 27, 2001.
- Current Report on Form 8-K, filed with the SEC on January 18, 2001.
- Amendment to Current Report on Form 8-K/A, filed with the SEC on March 19, 2001.
- Amendment No. 2 to Current Report on Form 8-K/A, filed with the SEC on March 23, 2001.
- The description of Brown & Brown's common stock contained in Brown & Brown's registration statement on Form 8-A filed on November 17, 1997, pursuant to Section 12(b) of the Securities and Exchange Act of 1934.

- The description of Brown & Brown's Common Stock Purchase Rights contained in the registration statement on Form 8-A filed on August 2, 1999.
- All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 shall be deemed to be incorporated by reference in this prospectus and to be part hereof from the date of filing of such documents.
- All documents filed by the Registrant after the date of filing the initial registration statement on Form S-3, of which this prospectus is a part, and prior to the effectiveness of such registration statement pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 shall be deemed to be incorporated by reference into this prospectus and to be part hereof from the date of filing of such documents.

On request we will provide at no cost to each person, including any beneficial owner who receives a copy of this prospectus, a copy of any or all of the documents incorporated in this prospectus by reference. We will not provide exhibits to any such documents, however, unless such exhibits are specifically incorporated by reference into those documents. Written or telephone requests for such copies should be addressed to Brown & Brown's executive offices in Tampa, Florida, Attention: Corporate Secretary.

327,379 Shares

BROWN & BROWN, INC.

Common Stock

PROSPECTUS

March 30, 2001

Part II

Information Not Required In Prospectus

Item 14. Other Expenses of Issuance and Distribution.

Set forth below is the Securities and Exchange Commission Registration Fee and an estimate of the other fees and expenses payable by the Registrant in connection with the registration and sale of the securities being registered:

Securities and Exchange Commission Registration Fee	\$ 2,509.00
Legal Fees and Expenses	10,000.00
Accounting Fees and Expenses	2,000.00
Printing, Engraving and Mailing Expenses	<u>30.00</u>
Total	<u>\$ 14,539.00</u>

Item 15. Indemnification of Directors and Officers.

The Registrant is a Florida corporation. Reference is made to Section 607.0850 of the Florida Business Corporation Act, which permits, and in some cases requires, indemnification of directors, officers, employees, and agents of Registrant, under certain circumstances and subject to certain limitations.

Under Article VII of the Registrant's Bylaws, the Registrant is required to indemnify its officers and directors, and officers and directors of certain other corporations serving as such at the request of the Registrant, against all costs and liabilities incurred by such persons by reason of their having been an officer or director of the Registrant or such other corporation, provided that such indemnification shall not apply with respect to any matter as to which such officer or director shall be finally adjudged to have been individually guilty of gross negligence or willful malfeasance in the performance of his or her duties as a director or officer, and provided further that the indemnification shall, with respect to any settlement of any suit, proceeding, or claim, include reimbursement of any amounts paid and expenses reasonably incurred in settling any such suit, proceeding, or claim when, in the judgment of the Board of Directors, such settlement and reimbursement appeared to be in the best interests of the Registrant.

The Registrant has purchased insurance with respect to, among other things, liabilities that may arise under the statutory provisions referred to above.

The general effect of the foregoing provisions may be to reduce the circumstances in which an officer or director may be required to bear the economic burden of the foregoing liabilities and expense.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits:

<u>Exhibit</u>	<u>Description</u>
<u>Number</u>	
5.1	Opinion of Holland & Knight LLP.
10.1	Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc, Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated.
10.2	Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Benesys, Inc.
10.3	Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Cost Management Services, Inc.
10.4	Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Self Insurance Administrators, Inc.
10.5	Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Huval Management Company, Inc.
10.6	Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Huval Richard Insurance Agency, Inc.
23.1	Consent of Arthur Andersen LLP, independent auditors of the Registrant.
23.2	Consent of KPMG LLP, independent auditors of Riedman Insurance (a division of Riedman Corporation).
23.3	Consent of Holland & Knight LLP (included in Exhibit 5.1).
24.1	Powers of Attorney pursuant to which this Form S-3 has been signed on behalf of certain directors and officers of the Registrant.
24.2	Resolutions of the Registrant's Board of Directors, certified by the Secretary.

Item 17. Undertakings

The undersigned Registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act,

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement,

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs 1(i) and 1(ii) do not apply if the information required to be included in a post-effective amendment by such clauses is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

2. That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4. That, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to its Certificate of Incorporation, Bylaws, by agreement or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Daytona Beach, State of Florida, on March 30, 2001.

BROWN & BROWN, INC.

By:*

J. Hyatt Brown

Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on March 30, 2001.

Signature

Title

* — J. Hyatt Brown	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
* — Cory T. Walker	Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)
* — Jim W. Henderson	Executive Vice President, Assistant Treasurer and Director
* — Samuel P. Bell, III	Director
* — Bradley Currey, Jr.	Director
* — David H. Hughes	Director
* — Theodore J. Hoepner	Director
* — Toni Jennings	Director
* — John R. Riedman	Director
* — Jan E. Smith	Director

*By: /S/ LAUREL L. GRAMMIG

LAUREL L. GRAMMIG

Attorney-in-Fact

Exhibit Index

Exhibit Description

Number

- 5.1 Opinion of Holland & Knight LLP.
- 10.1 Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc., Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated.
- 10.2 Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Benesys, Inc.
- 10.3 Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Cost Management Services, Inc.
- 10.4 Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Self Insurance Administrators, Inc.
- 10.5 Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Huval Management Company, Inc.
- 10.6 Stock Acquisition Agreement, dated as of January 13, 2001, among the Registrant and the shareholders of Huval Richard Insurance Agency, Inc.
- 23.1 Consent of Arthur Andersen LLP, independent auditors of the Registrant.
- 23.2 Consent of KPMG LLP, independent auditors of Riedman Insurance (a division of Riedman Corporation).
- 23.3 Consent of Holland & Knight LLP (included in Exhibit 5.1).
- 24.1 Powers of Attorney pursuant to which this Form S-3 has been signed on behalf of certain directors and officers of the Registrant.
- 24.2 Resolutions of the Registrant's Board of Directors, certified by the Secretary.

EXHIBIT 5.1

March 30, 2001

Brown & Brown, Inc.

220 South Ridgewood Avenue

Daytona Beach, Florida 32114

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We refer to the Registration Statement (the "Registration Statement") on Form S-3, filed by Brown & Brown, Inc., a Florida corporation (the "Company") with the Securities and Exchange Commission for the purpose of registering under the Securities Act of 1933 (the "Securities Act") an aggregate amount of 327,379 shares (the "Shares") of authorized common stock, par value \$.10 per share, of the Company being offered for sale for the benefit of the selling stockholders named in the Registration Statement. We understand that the Shares are to be sold from time to time on the New York Stock Exchange at prevailing prices or as otherwise described in the Registration Statement.

In connection with the above registration, we have acted as counsel for the Company, and have examined originals, or copies certified to our satisfaction, of all such corporate records of the Company, certificates of public officials and representatives of the Company, and other documents as we deemed necessary to require as a basis for the opinion expressed below.

Based upon the foregoing, and having regard for legal considerations that we deem relevant, it is our opinion that the Shares are duly authorized, legally issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to this firm under the caption "Legal Matters" contained in the prospectus filed as part of the Registration Statement, and any amendments thereto. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Holland & Knight LLP

HOLLAND & KNIGHT LLP

STOCK ACQUISITION AGREEMENT

This **STOCK ACQUISITION AGREEMENT**, dated as of January 13, 2001 (this "Agreement"), is made and entered into by and among **BROWN & Brown, Inc.**, a Florida corporation ("Buyer"), and **THOMAS K. HUVAL**, a resident of the State of Louisiana, **KATHRYN H. PONTIFF**, a resident of the State of Louisiana, and **DALE F. HUVAL**, a resident of the State of Louisiana (each a "Shareholder" and collectively, the "Shareholders").

Background

The Shareholders own all of the outstanding capital stock of Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc, Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated, each a Louisiana corporation (together with any subsidiaries thereof, each of the above-named corporations are individually referred to herein as a "Company" and collectively, the "Companies"). The Companies are engaged primarily in the insurance agency business in the Acadiana region of Louisiana. The Shareholders wish to transfer all of the outstanding shares of each of the Companies to Buyer, and Buyer desires to acquire such shares, upon the terms and conditions expressed in this Agreement. It is the intent of the parties that this transaction qualify for accounting purposes as a pooling-of-interests transaction and as a tax-free exchange under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

THEREFORE, in consideration of the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follow:

Article 1

The Acquisition

Section 1.1 **Acquisition and Transfer of Shares.** On and subject to the terms and conditions of this Agreement, Buyer agrees to acquire all of the issued and outstanding shares of capital stock of the Companies, as more fully set forth in Schedule 3.3 (collectively, the "Company Shares"), from the Shareholders and the Shareholders agree to transfer all of the Company Shares to Buyer, free and clear of all liens and encumbrances. The Company Shares shall be transferred to Buyer for the consideration specified in **Section 1.2**.

Section 1.2 **Consideration.** The consideration for the Company Shares shall be the issuance of shares of common stock of Buyer to the Shareholders. The number of shares of common stock of Buyer to be issued to the Shareholders shall be 140,128 (the "Buyer Shares"), which is an amount, rounded to the nearest whole number, equal to (a) \$4,666,856.90 (the "Purchase Price"), divided by (b) \$33.3042 (the "Average Price").

Section 1.3 **Delivery of Buyer Shares.** (a) The Buyer Shares shall be issued to the Shareholders as follows:

(i) ten percent (10%) of the Buyer Shares shall be pledged to Buyer as partial security for the indemnification obligations of the Shareholders under **Article 8** hereof (the "Pledged Shares"). These Pledged Shares, subject to any reduction in number as may be necessary to satisfy the Shareholders' indemnification obligations, shall be delivered to the Shareholders one (1) year after the Closing Date, in accordance with the terms of the Pledge Agreement attached hereto as Exhibit 2.2(a)(iii).

(ii) The remainder of the Buyer Shares shall be delivered to the Shareholders at the Closing (as defined in **Section 2.1** hereof). The total number of Buyer Shares to be issued to the Shareholders will be issued as follows: thirty-three and one-third percent (33 1/3%) of the shares will be issued to Thomas K. Huval, thirty-three and one-third percent (33 1/3%) of the shares will be issued to Dale F. Huval, and thirty-three and one-third percent (33 1/3%) of the shares will be issued to Kathryn H. Pontiff.

(b) The parties agree that the dollar value of each Buyer Share shall be the Average Price for all purposes in determining (i) the number of Buyer Shares to be issued under **Section 1.2** hereof, (ii) the number of Buyer Shares to be pledged under this **Section 1.3**, or (iii) the number of Pledged Shares Buyer may withhold to satisfy an indemnifiable claim, notwithstanding the actual market value of such shares (in each case with respect to clauses (i), (ii) or (iii), as adjusted for any stock splits or stock dividends).

Section 1.4 **Accounting and Tax Treatment.** The parties agree (a) to structure this transaction as a tax-free exchange, and (b), as more fully described in **Section 9.6** to this Agreement, to treat this transaction for accounting purposes as a pooling-of-interests transaction and to take all actions necessary to characterize the transaction as such.

Section 1.5 **Registration of Buyer Shares.** The Shareholders and Buyer shall have the rights and obligations set forth in the Registration Rights Addendum attached hereto with respect to the registration of the Buyer Shares for sale and other matters addressed therein.

Article 2

Closing, Items to be Delivered,

Further Assurances, and Effective Date

Section 2.1 **Closing.** The consummation of transactions contemplated under this Agreement (the "Closing") will take place at 9 a.m., local time, on January 13, 2001 (the "Closing Date"), at the Companies' offices located at 102 Asma Boulevard, Suite 300, Lafayette, Louisiana 70508, unless another date or place is agreed to in writing by the parties hereto.

Section 2.2 **Closing Obligations.** At the Closing:

(a) The Shareholders will deliver to Buyer:

(i) certificates representing the Company Shares to Buyer, properly endorsed for transfer or with executed stock powers attached, for transfer to Buyer;

(ii) a release in the form of Exhibit 2.2(a)(ii), executed by each of the Shareholders (the "Release");

(iii) a pledge agreement in the form of Exhibit 2.2(a)(iii), executed by each of the Shareholders (the "Pledge Agreement"), along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares;

(iv) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Shareholders' Counsel");

(v) employment agreements in the form of Exhibit 2.2(a)(v), executed by those Shareholders to whom Buyer has offered employment (collectively, "Shareholder Employment Agreements");

(vi) evidence to Buyer's satisfaction that the Company has terminated all of its Employee Benefits Plans (other than Employee Welfare Benefit Plans), with such termination effective prior to the Closing Date; and

(b) Buyer shall deliver to the Shareholders:

(i) certificates representing the number of Buyer Shares to be issued to the Shareholders at the Closing pursuant to **Section 1.3(b)** hereof;

(ii) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Buyer's Counsel"); and

(iii) the Shareholder Employment Agreements, executed by Buyer.

Section 2.4 **Mutual Performance.** At or prior to the Closing, the parties hereto shall also deliver to each other the agreements, certificates, and other documents and instruments referred to in **Articles 6** and **7** hereof.

Section 2.5 **Third Party Consents.** To the extent that the Company Shares may not be transferred to Buyer hereunder without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to transfer the same if an attempted transfer would constitute a breach thereof or be unlawful, and the Shareholders, at their expense, shall use their best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted transfer would be ineffective or would impair Buyer's rights so that Buyer would not in effect acquire the benefit of all such rights, the Shareholders, to the maximum extent permitted by law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Section 2.6 **Further Assurances.** From time to time after the Closing, the Shareholders will execute, acknowledge and deliver to Buyer such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably request in order to vest more effectively in Buyer, or to put Buyer more fully in possession of, the Company Shares. Each of the parties hereto will cooperate with the others and execute and deliver to the other parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

Section 2.7 **Effective Date.** The Effective Date of this Agreement and all related instruments executed at the Closing shall be the Closing Date.

Article 3

Representations and Warranties of the Shareholders

The Shareholders represent and warrant to Buyer as follows:

Section 3.1 **Organization.** Each of the Companies and any respective subsidiaries thereof (each a "Subsidiary") is a corporation organized and in good standing under the laws of Louisiana and its status is active. Each Company and Subsidiary has all requisite

corporate power and authority and all necessary governmental approvals to own, lease, and operate its properties and to carry on its business as now being conducted. Each Company and Subsidiary is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the conduct of its insurance agency business requires it to be so qualified.

Section 3.2 **Authority.** The Shareholders have the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Shareholders and constitutes their valid and binding obligation, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect which offset creditors' rights generally, and general equitable principles.

Section 3.3 **Capitalization.** Schedule 3.3 sets forth the number and par value of the shares that each of the Shareholders holds in each of the Companies. Collectively, the Company Shares constitute all of the issued and outstanding shares of capital stock of the Companies. All of the Company Shares have been duly issued and are fully paid and nonassessable. Except with respect to the security interest granted to BankOne, N.A. ("BankOne") by each of the Shareholders in connection with that certain Pledge Agreement dated June 26, 2000 between the Shareholders and BankOne (the "BankOne Stock Pledge"), all of the Company Shares are owned and held by the Shareholders, free and clear of all liens, encumbrances or other third-party rights of any kind whatsoever. There are no outstanding agreements, options, rights or privileges, whether preemptive or contractual, to acquire shares of capital stock or other securities of any of the Companies.

Section 3.4 **Corporate Records.** The Shareholders have delivered to Buyer correct and complete copies of the Articles of Incorporation and Bylaws of each Company, each as amended to date. The minute books containing the records of meetings of the shareholders, board of directors, and any committees of the board of directors, the stock certificate books, and the stock record books of each Company are correct and complete and have been made available for inspection by Buyer. None of the Companies is in default under or in violation of any provision of its Articles of Incorporation or Bylaws.

Section 3.5 **Consents and Approvals; No Violations.** Neither the execution, delivery or performance of this Agreement by the Shareholders nor the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will (a) except with respect to any options or rights of first refusal in favor of any Company (which options or rights the Shareholders shall cause such Companies to reject prior to Closing), conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of the Company, (b) except for any necessary filings with the Louisiana Secretary of State or Department of Insurance, require any filing with, or permit, authorization, consent, or approval of, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority or agency (each a "Governmental Entity"), (c) except with respect to certain indebtedness which shall be paid off in connection with the Closing, result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions, or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which any of the Shareholders or any Company is a party or by which any of the Shareholders or any Company or any of their respective properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Shareholders or any Company, or any of their respective properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect on any Company or Buyer's ownership of the Company Shares.

Section 3.6 **No Third Party Options.** There are no existing agreements, options, commitments, or rights with, of or to any person to acquire any of the Companies' securities, assets, properties or rights, or any interests therein.

Section 3.7 **Financial Statements.** The Shareholders have delivered to Buyer true and complete copies of the Companies' consolidated balance sheet as of December 31, 2000 (the "Balance Sheet Date") and the related statement of income for the twelve (12) months then ended, all of which have been prepared in accordance with generally accepted accounting principles, consistently applied throughout the periods involved. Such balance sheets fairly present the consolidated financial position, assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Companies at the dates indicated and such statements of income fairly present the results of operations for the periods then ended. The Companies' financial books and records are accurate and complete in all material respects.

Section 3.8 **Absence of Certain Changes.** Since the Balance Sheet Date, there have been no events or changes having a material adverse effect on the assets, liabilities, financial condition or operations of any of the Companies or, to the Shareholders' or any Company's Knowledge (as defined in **Section 10.2** of this Agreement), on the future prospects of any Company. Since the Balance Sheet Date, no Company has made any distributions or payments to any of the Shareholders (other than normal compensation that may have been paid to the Shareholders in their capacity as bona fide employees) and has not entered into any agreements other than in the ordinary course of business. Since the Balance Sheet Date, each Company has carried on business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and has not taken any unusual actions in contemplation of this transaction except to the extent that Buyer has given its prior specific consent.

Section 3.9 **Assets.** (a) Except as set forth in Schedule 3.9(a)-(1), the Companies own and hold, free and clear of any lien, charge, pledge, security interest, restriction, encumbrance or third-party interests of any kind whatsoever (including insurance company payables), sole and exclusive right, title, and interests in and to the customer expiration records for those customers listed in Schedule 3.9(a)-(2), together with the exclusive right to use such records and all customer accounts, copies of insurance policies and contracts in force, and all files, invoices and records pertaining to the customers, their contracts and insurance policies, and all related information. All customer accounts listed in Schedule 3.9(a)-(2) represent current customers of the Companies and none of such accounts has been cancelled or transferred as of the date hereof.

(b) The name "The Huval Companies" is the only trade name used by any of the Companies within the past three (3) years. No party has filed a claim during the past three (3) years against any Company alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party, or, if so, the claim has been settled with no existing liability to such Company and, to the Knowledge of the Shareholders or the Companies, no Company has violated or infringed any trademark, trade name, service mark, service name, patent, copyright or trade secret held by others.

(c) The computer software of the Companies performs in a manner sufficient to operate the businesses of the Companies as such businesses have historically been operated. The Shareholders have delivered to Buyer complete and correct copies of all user and technical documentation related to such software.

(d) Each Company owns or leases all tangible assets necessary for the conduct of its business. All equipment, inventory, furniture and other assets owned or used by each Company in its business are in a state of good repair and maintenance, having regard for the purposes of which they are used, and the purposes for which such assets are used and for which they are held by such Company are not in violation of any statute, regulation, covenant or restriction. Each Company owns or leases all office furniture, fixtures and equipment in its respective office locations.

(e) All notes and accounts receivables of each Company are reflected properly on its books and records, are valid receivables subject to no set-offs or counterclaims either asserted to date or of which the Shareholders or any Company has Knowledge, are presently current and collectible, net of reserves for bad debt, and will be collected in accordance with their terms at their recorded amounts. All of the Companies' respective accounts payable, including accounts payable to insurance carriers, are current and reflected properly on the Companies' respective books and records, and will be paid in accordance with their terms at their recorded amounts.

(f) Schedule 3.9(f)(i) sets forth all land and buildings owned by any of the Companies (collectively, the "Real Property"). Except as set forth in Schedule 3.9(f)(i), each such Company holds good, valid and marketable title to its respective Real Property, free and clear of all liens and encumbrances whatsoever, other than (i) zoning ordinances, (ii) easements, agreements and restrictions of record, none of which materially adversely affects the value of the Real Property, (iii) real estate taxes due and payable after the Closing Date (collectively, the "Permitted Exceptions"). Other than those leases of portions of the Real Property set forth in Schedule 3.9(f)(ii), no person or entity has any title to or interest in or right to possess the Real Property or any portion thereof, other than the Company holding such Real Property.

Section 3.10 *Real Property.* (a) The land and buildings constituting the Real Property are in a state of reasonably good repair and maintenance, having regard for the purposes for which they are used, and the purposes for which they are used are not in breach of any material statute, regulation, covenant or restriction. To the Shareholders' or any Company's Knowledge, there are no structural or other material defects in the Real Property or any need for any extraordinary repairs. No Company has received notice from any insurance company requiring or recommending that it make any repairs or perform any work on the Real Property. There is no encroachment, gap, encumbrance or other defect in the premises that would make title to the Real Property unmarketable.

(b) The utilities servicing the Real Property, including public water, sanitary sewer, storm sewer, natural gas, telephone and electricity, are adequate in size and capacity for the permitted uses. All roads bounding the Real Property are public roads and neither the Shareholders nor any Company is aware of any federal, state, county or other governmental plans to change the highway or road system in the vicinity of the Real Property or change access from any such highway to the Real Property.

(c) No Company has notified any tenants on the Real Property that such tenants are in default under the terms of their lease and no action is pending against any tenant. Existing tenants have not asserted any right of offset against rents payable or any claim against such Company to the effect that such party is in default under the lease.

(d) All real estate taxes, installments of assessments and municipal liens such as water and sewer on the Real Property required to be paid by any Company prior to Closing have been or will be paid prior to Closing, including any applicable interest or late fees. The Shareholders and the Companies have no Knowledge of, and have received no notice of, any assessments against the Real Property.

Section 3.11 *Undisclosed Liabilities.* No Company has any liabilities, and, to the Shareholders' or any Company's Knowledge, there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand against any Company giving rise to any liability, except (a) those liabilities reflected in the December 31, 2000 consolidated balance sheet of the Companies, (b) liabilities which have arisen after the Balance Sheet Date in the ordinary course of business (none of which relates to any claim asserted with respect to any breach of contract, breach of warranty, tort, infringement, or violation of law, or arose from any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand), or (c) Incurred-But-Not-Reported (IBNR) health insurance claims by any plan participants. No Company has guaranteed the obligations of any third party, including, without limitation, guarantees relating to premium financing on behalf of its customers.

Section 3.12 *Litigation and Claims.* Except as disclosed in Schedule 3.12, there is no suit, claim, action, proceeding or investigation pending or, to the Shareholders' or any Company's Knowledge, threatened against any Company, and there is no basis for such a suit, claim, action, proceeding or investigation. No Company is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have an adverse effect on any Company or would prevent the Shareholders from consummating the transactions contemplated hereby. No voluntary or involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to the Shareholders or any Company has been filed by or, to the Knowledge of the Shareholders or any Company, against the Shareholders or any Company, nor will the Shareholders or any Company file such a petition prior to the Closing Date or for one hundred (100) days thereafter, and if such

petition is filed by others, the same will be promptly discharged. Each of the Shareholders is solvent on the date hereof and will be solvent on the Closing Date. Neither the Shareholders nor any Company has, and at the Closing Date will not have, made any assignment for the benefit of creditors, or admitted in writing insolvency or that its property at fair valuation will not be sufficient to pay its debts, nor will the Shareholders permit any judgment, execution, attachment, or levy against them or their properties to remain outstanding or unsatisfied for more than ten (10) days.

Section 3.13 **Compliance with Applicable Law.** Each Company holds all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities necessary for the lawful conduct of its business (collectively, the "Permits"). Each Company is in compliance with the terms of the Permits, except where the failure to comply would not have an adverse effect. No Company is conducting business in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have an adverse effect on its business. As of the date of this Agreement, no investigation or review by any Governmental Entity with respect to any Company is pending or, to the Knowledge of the Shareholders or any Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same.

Section 3.14 **Tax Returns and Audits.** Each Company has timely filed all federal, state, local and foreign tax returns required to be filed by it or has paid or made provision for the payment of any penalty or interests arising from the late filing of any such return, has correctly reflected all taxes required to be shown thereon, and except for an outstanding federal tax assessment against Yates Insurance Agency, Inc., a wholly-owned subsidiary of Huval Insurance Agency of Abbeville, Inc., each Company has fully paid or made adequate provision for the payment of all taxes that have been incurred or are due and payable pursuant to such returns or pursuant to any assessment with respect to taxes in such jurisdictions, whether or not in connection with such returns. There are no circumstances or pending questions relating to Known potential tax liabilities nor claims asserted for taxes or assessments of any Company that, if adversely determined, could result in a tax liability arising out of any pre-Closing actions, omissions or other circumstances that may be assessed during any period prior to, including, or beginning after the Closing Date or on any Company's pre-Closing practices in computing or reporting taxes. To the Shareholders' or any Company's Knowledge, no federal income tax or information return for any Company is currently the subject of an audit by the Internal Revenue Service. No Company has executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

Section 3.15 **Contracts.** (a) Schedule 3.15 lists all material contracts, agreements and other written arrangements to which any Company is a party, including, without limitation, the following:

- (i) any written arrangement (or group of written arrangements) for the furnishing or receipt of services that calls for performance over a period of more than one (1) year;
- (ii) any written arrangement concerning a partnership or joint venture;
- (iii) any written arrangement (or group of written arrangements) under which any Company has created, incurred or assumed or may create, incur or assume indebtedness (including capitalized lease obligations) involving more than \$10,000 or under which it has imposed (or may impose) a security interest on any of its assets, tangible or intangible;
- (iv) any employment agreement;
- (v) any written arrangement concerning confidentiality or non-competition;
- (vi) any written arrangement involving any Company and its present or former affiliates, officers, directors or shareholders;
- (vii) any written arrangement under which the consequences of a default or termination could have a material adverse effect on the assets, liabilities, business, financial condition, operations or future prospects of any Company; or
- (viii) any other written arrangement (or group of related arrangements) either involving more than \$10,000 or not entered into in the ordinary course of business.

(b) No Company is a party to any verbal contract, agreement or other arrangement which, if reduced to written form, would be required to be listed in Schedule 3.15. The Shareholders have delivered to Buyer a correct and complete copy of each written arrangement, as amended to date, listed in Schedule 3.15. Each such contract, agreement and written arrangement is valid and enforceable in accordance with its terms, and no party is in default under any provision thereof.

Section 3.16 **Non-Solicitation Covenants.** No Company is a party to any agreement that restricts its ability to compete in the insurance agency industry or solicit specific insurance accounts.

Section 3.17 **Insurance Policies.** Schedule 3.17 sets forth a complete and correct list of all insurance policies held by each Company with respect to its business, and true and complete copies of such policies have been delivered to Buyer. Each Company has complied with all the provisions of such policies and the policies are in full force and effect.

Section 3.18 **Errors and Omissions.** No Company has incurred any liability or taken or failed to take any action that may reasonably be expected to result in a liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance. All errors and omissions lawsuits and claims currently pending or threatened against any Company are set forth in Schedule 3.12. Each Company has errors and omissions (E&O) insurance coverage in force, with minimum liability limits of \$3 million per claim and \$6 million aggregate, with a deductible of \$25,000 per claim and \$50,000

aggregate, and the Shareholders will provide to Buyer a certificate of insurance evidencing such coverage prior to or on the Closing Date. Each Company has had the same or higher levels of coverage continuously in effect for at least the past five (5) years (or, if a period shorter than five (5) years, since such Company's inception).

Section 3.19 **Employees.** Except as disclosed in Schedule 3.15, all employees of each Company are employees at will, and no Company is a party to any written contract of employment. None of the Companies' employees is currently being treated for a major medical condition.

Section 3.20 **Employee Benefit Plans.** Schedule 3.20 lists each Employee Benefit Plan (as defined below) that any Company or any trade or business, whether or not incorporated, that together with such Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (as defined below) (a "Company ERISA Affiliate") maintains or to which any Company or any Company ERISA Affiliate contributes.

(a) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all respects with the applicable requirements of ERISA, the Code, and other applicable laws. No such Employee Benefit Plan is under audit by the Internal Revenue Service or the Department of Labor.

(b) All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-1s, and summary plan descriptions) have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA and of Code Section 4980B have been met with respect to each such Employee Benefit Plan that is an "Employee Welfare Benefit Plan" as such term is defined in ERISA Section 3(1).

(c) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been paid to each such Employee Benefit Plan that is an "Employee Pension Benefit Plan" as such term is defined in ERISA Section 3(2), and all contributions for any period ending on or before the Closing Date that are not yet due have been paid to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of such Company. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(d) Each such Employee Benefit Plan that is an Employee Pension Benefit Plan meets the requirements of a "qualified plan" under Code Section 401(a) and has received, within the last two (2) years, a favorable determination letter from the Internal Revenue Service.

(e) The market value of assets under each such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any "Multiemployer Plan" as such term is defined in ERISA Section 3(37)) equals or exceeds the present value of all vested and nonvested liabilities thereunder determined in accordance with Pension Benefit Guaranty Corporation ("PBGC") methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(f) Such Company has delivered to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements that implement each such Employee Benefit Plan.

(g) With respect to each Employee Benefit Plan that any Company or any Company ERISA Affiliate maintains or ever has maintained or to which it contributes, ever has contributed, or ever has been required to contribute:

(i) No such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a "Reportable Event" (as such term is defined in ERISA Section 4043) as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the Knowledge of the Shareholders or any Company, threatened.

(ii) There have been no "Prohibited Transactions" as defined in ERISA Section 406 and Code Section 4975 with respect to any such Employee Benefit Plan. No "Fiduciary" as defined in ERISA Section 3(21) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of the Shareholders or any Company, threatened. None of the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of such Company has any Knowledge of any basis for any such action, suit, proceeding, hearing, or investigation.

(iii) Such Company has not incurred, and none of such Company, the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of such Company has any reason to expect that such Company shall incur, any liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability) or under the Code with respect to any such Employee Benefit Plan that is an Employee Pension Benefit Plan.

(iv) Neither such Company nor any Company ERISA Affiliate contributes to, nor has ever been required to contribute to, any Multiemployer Plan or has any liability (including withdrawal liability) under any Multiemployer Plan.

(v) Neither such Company nor any Company ERISA Affiliate maintains or contributes, nor has ever maintained or contributed, or has ever been required to contribute to any Employee Welfare Benefit Plan providing medical, health, or life insurance or other

welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Code Section 4980B).

As used in this Agreement, the term "Employee Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan or material fringe benefit plan or program.

Section 3.21 *Intellectual Property.*

(a) Each Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property (as defined below) necessary or desirable for the operation of the businesses of such Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by any Company immediately prior to the Closing hereunder shall be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder. Each Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that it owns or uses.

(b) No Company has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and none of the Shareholders and the directors and officers (and employees with responsibility for Intellectual Property matters) of any Company has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that such Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the Shareholders or any Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of any Company.

(c) No Company has any patents issued in its name, or patent applications filed or pending. Schedule 3.21(c) identifies each license, agreement, or other permission any Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). The Shareholders have delivered to Buyer correct and complete copies of all such registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Schedule 3.21(c) also identifies each trade name and registered or unregistered trademark or service mark used by any Company. With respect to each item of Intellectual Property required to be identified in Schedule 3.21(c):

(i) such Company possesses all right, title, and interest in and to the item, free and clear of any security interest, license, or other restriction;

(ii) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and

(iv) such Company has never agreed to indemnify any person or entity for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(d) Schedule 3.21(d) identifies each item of Intellectual Property that any third party owns and that any Company uses pursuant to license, sublicense, agreement, or permission. The Shareholders have delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Schedule 3.21(d):

(i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(ii) the license, sublicense, agreement, or permission shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in **Article 2** above);

(iii) no party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred that with notice or default or permit termination, modification, or acceleration thereunder;

(iv) no party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(v) with respect to each sublicense, the representations and warranties set forth in clauses **(i)** through **(iv)** above are true and correct with respect to the underlying license;

(vi) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(vii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of the Shareholders or any Company, is threatened that challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(viii) Such Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(e) To the Knowledge of the Shareholders or any Company, no Company shall interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of the continued operation of its businesses as presently conducted and as presently proposed to be conducted.

As used in this Agreement the term "Intellectual Property" means (A) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (B) all trademarks, service marks, trade dress, logos, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (C) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (D) all mask works and all applications, registrations, and renewals in connection therewith, (E) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (F) all computer software (including data and related documentation), (G) all other proprietary rights, and (H) all copies and tangible embodiments thereof (in whatever form or medium).

Section 3.22 *Environment, Health, and Safety.*

(a) Each Company and its predecessors and affiliates have complied with all Environmental, Health, and Safety Laws (as defined below), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply. Without limiting the generality of the preceding sentence, each Company and its predecessors and affiliates has obtained and been in compliance with all of the terms and conditions of all permits, licenses, and other authorizations that are required under, and has complied with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables that are contained in, all Environmental, Health, and Safety Laws.

(b) No Company has any liability (and none of the Companies or their predecessors and affiliates has handled or disposed of any substance, arranged for the disposal of any substance, exposed any employee or other individual to any substance or condition, or owned or operated any property or facility in any manner that could form the basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against such Company giving rise to any liability) for damage to any site, location, or body of water (surface or subsurface), for any illness of or personal injury to, any employee or other individual, or for any reason under any Environmental, Health, and Safety Law.

(c) No Hazardous Materials (as defined below) have been placed on or in any structure on the Real Property by any Company or, to the Knowledge of the Shareholders or any Company, by any prior owner or user of the Real Property. No underground storage tanks for petroleum or any other substance, or underground piping or conduits are or to the Knowledge of the Shareholders or any Company, have previously been located on the Real Property. To the Knowledge of the Shareholders or any Company, no other party has caused the release of or contamination by Hazardous Materials on the Real Property. The Shareholders have provided prior to the Closing Date (and thereafter, as such items are received by the Company, shall provide) Buyer with all environmental studies, records and reports in its possession or control, and all correspondence with any governmental entities, concerning environmental conditions of the Real Property.

(d) All properties and equipment used in the business of each Company and its predecessors and affiliates have been free of asbestos, polychlorinated biphenyls (PCBs), methylene chloride, trichloroethylene, 1, 2-trans-dichloroethylene, dioxins, dibenzofurans, and Extremely Hazardous Substances (as defined below).

(e) As used in this Agreement, the term:

(i) "Environmental, Health, and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Occupational Safety and Health Act of 1970, each as amended, together with all other laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, public health and safety, or employee health and safety, including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes;

(ii) "Extremely Hazardous Substance" has the meaning set forth in Section 302 of the Emergency Planning and Community Right-to-Know Act of 1986, as amended; and

(iii) "Hazardous Materials" means any "toxic substance" as defined in 15 U.S.C. Section 2601 et seq. on the date hereof, including materials designated on the date hereof as "hazardous substances" under 42 U.S.C. Section 9601 et seq. or other applicable laws, and toxic, radioactive, caustic, or otherwise hazardous substances, including petroleum and its derivatives, asbestos, PCBs, formaldehyde, chlordane and heptachlor.

Section 3.23 **Accounting Matters.** To the Knowledge of the Shareholders or any Company, no "Affiliate" (as defined below) of any Company has, during a period of thirty (30) days prior to the date of this Agreement, sold, pledged, hypothecated, or otherwise transferred or encumbered any capital stock of any Company held by such Affiliate. For purposes of this Agreement, the term "Affiliate" means any officer, director, or owner of ten percent (10%) or more of the voting capital stock of any Company.

Section 3.24 **Securities Law Representations.** (a) The Shareholders were granted access to the business premises, offices, properties, and business, corporate and financial books and records of Buyer. The Shareholders were permitted to examine the foregoing records, to question officers of Buyer, and to make such other investigations as they considered appropriate to determine or verify the business and financial condition of Buyer. Buyer furnished to the Shareholders all information regarding its business and affairs that the Shareholders requested, including, without limitation, (i) Buyer's annual report on Form 10-K for the year ended December 31, 1999, (ii) Buyer's Annual Report to Shareholders for the year ended December 31, 1999, (iii) the Proxy Statement for Buyer's 2000 Annual Meeting of Shareholders, and (iv) Buyer's quarterly reports on Form 10-Q for the three (3) months ended March 31, June 30, and September 30, 2000, respectively.

(b) Each Shareholder recognizes that the Buyer Shares will, when issued, not be registered under the Securities Act of 1933, as amended (the "Securities Act") and will therefore, unless and until a registration statement with respect to the Buyer Shares is declared effective by the Securities and Exchange Commission (the "SEC"), constitute "restricted securities" as defined pursuant to Rule 144(a)(3) under the Securities Act under which means, among other things, that the Shareholders generally will not be able to sell the Buyer Shares for a period of at least one (1) year following the Closing Date, and may not be sold, offered for sale, transferred, pledged, hypothecated or otherwise disposed of except in compliance with the Securities Act, as such, by way of illustration but without limitation, in compliance the safe harbor provisions of Rule 144; further, the legal consequences of the foregoing mean that the Shareholder must bear the economic risk of the investment in the Buyer Share for an indefinite period of time; further, if the Shareholder desires to sell or transfer all or any part of the Buyer Shares, Buyer may require the Shareholder's counsel to provide a legal opinion that the transfer may be made without registration under the Securities Act; further, other restrictions discussed elsewhere herein may be applicable; further, the Shareholder is subject to the restriction on transfer described herein and Buyer will issue stop transfer orders with Buyer's transfer agent to enforce such restrictions; further, the Buyer Shares will bear a legend restricting transfer; and further, the following paragraph, or language substantially equivalent thereto, will be inserted in or stamped on the certificates evidencing the same:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SHARES HAVE BEEN ACQUIRED FOR INVESTMENT. THIS STOCK MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THE SAME UNDER THE SECURITIES ACT OF 1933 OR OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE SECURITIES LAWS.

(c) Because of their considerable knowledge and experience in financial and business matters, each of the Shareholders is able to evaluate the merits, risks, and other factors bearing on the suitability of the Buyer Shares as an investment. Each of the Shareholders, individually or by virtue of a "purchaser representative" (as defined pursuant to Rule 501(h) under the Securities Act), qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act .

(d) Each Shareholder's annual income and net worth are such that he or she would not now be, and does not contemplate being, required to dispose of any investment in the Buyer Shares, including the risk of losing all or any part of his investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Buyer Shares for an indefinite period.

(e) The Shareholder's acquisition of the Buyer Shares will be solely for his own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Section 3.25 **No Misrepresentations.** None of the representations and warranties of the Shareholders set forth in this Agreement or in the attached Schedules, notwithstanding any investigation thereof by Buyer, contains any untrue statement of a material fact, or omits the statement of any material fact necessary to render the statements made not misleading.

Article 4

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders as follows:

Section 4.1 **Organization.** Buyer is a corporation organized under the laws of Florida and its status is active. Buyer has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect.

Section 4.2 **Authority.** Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of

Buyer and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles.

Section 4.3 **Consents and Approvals; No Violations.** Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of Buyer, (b) require any filing with, or permit authorization, consent, or approval of, any Governmental Entity, except where the failure to obtain such permits, authorizations, consents, or approvals or to make such filings would not have a material adverse effect, (c) result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which Buyer is a party or by which Buyer or its properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect.

Section 4.4 **SEC Reports and Financial Statements.** Buyer has filed with the SEC, and has heretofore made available to the Shareholders true and complete copies of all forms, reports, schedules, statements and other documents required to be filed by it since December 31, 1999 under the Securities Exchange Act of 1934 (the "Exchange Act") or the Securities Act (as such documents have been amended since the time of their filing, collectively, the "Buyer SEC Documents"). The Buyer SEC Documents, including without limitation any financial statements and schedules included therein, at the time filed, (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, and the applicable rules and regulations of the SEC thereunder. The financial statements of Buyer included in the Buyer SEC Documents comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited statements, to normal, recurring audit adjustments) the consolidated financial position of Buyer and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended.

Section 4.5 **Absence of Certain Changes.** Except as disclosed in the Buyer SEC Documents, since December 31, 1999, there have been no events, changes or events having, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.6 **No Undisclosed Liabilities.** Except as and to the extent set forth in Buyer's Quarterly Report on Form 10-Q for the period ended September 30, 2000, as of September 30, 2000, Buyer had no liabilities or obligations, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of Buyer and its subsidiaries. Since September 30, 2000, Buyer has not incurred any liabilities, whether or not accrued, contingent or otherwise, outside the ordinary course of business or that would have, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.7 **Litigation.** Except as disclosed in the Buyer SEC Documents filed prior to the date of this Agreement, there is no suit, claim, action, proceeding or investigation pending or, to the best Knowledge of Buyer, threatened against Buyer or any of its subsidiaries before any Governmental Entity that, individually or in the aggregate, is reasonably likely to have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated by this Agreement. Except as disclosed in the Buyer SEC Documents, neither Buyer nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated hereby.

Section 4.8 **Accounting Matters.** To the best Knowledge of Buyer, neither Buyer nor any of its affiliates has through the date of this Agreement taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by the Company or any of its affiliates) would prevent the parties from accounting for the transaction to be effected by this Agreement as a pooling of interests.

Section 4.9 **Errors and Omissions.** Buyer has not incurred any material liability or taken or failed to take any action that may reasonably be expected to result in a material liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance and those disclosed in the Buyer SEC Documents. Buyer has errors and omission (E&O) insurance coverage in force, with minimum liability limits of \$35,000,000.00 per occurrence and \$35,000,000.00 aggregate, with a deductible of \$250,000.00.

Section 4.10 **Securities Law Representations.** (a) Buyer was granted access to the business premises, offices, properties, and business, corporate and financial books and records of the Company. Buyer was permitted to examine the foregoing records, to question officers of the Company, and to make such other investigations as it considered appropriate to determine or verify the business and financial condition of the Company. The Shareholders furnished to Buyer all information regarding the business and affairs of the Company that Buyer requested.

(b) Because of its considerable knowledge and experience in financial and business matters, Buyer is able to evaluate the merits, risks, and other factors bearing on the suitability of the Company Shares as an investment. Buyer qualifies as an "accredited

investor" as defined under Rule 501(a) under the Securities Act.

(c) Buyer's annual income and net worth are such that it would not now be, and does not contemplate being, required to dispose of any investment in the Company Shares, including the risk of losing all or any part of its investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Company Shares for an indefinite period. Buyer recognizes that the Company Shares will not be registered under the Securities Act of 1933 and will therefore constitute "restricted securities," which means, among other things, that Buyer generally will not be able to sell the Company Shares for a period of at least one (1) year following the Closing Date.

(d) Buyer's acquisition of the Company Shares will be solely for its own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Article 5

[INTENTIONALLY OMITTED]

Article 6

Additional Agreements

Section 6.1 **Access to Information.** Upon reasonable notice, the Shareholders shall cause the Companies to afford to the officers, employees, accountants, counsel, and other authorized representatives of Buyer full access, during the period prior to the Closing Date, to all of the properties, books, contracts, commitments, records, and senior management of the Companies. Unless otherwise required by law, Buyer will hold any such information that is nonpublic in confidence, will not use such information in its business if the transaction does not close, and will promptly return such information if the transaction does not close. After the Closing, upon reasonable notice, Buyer shall cause the Companies to afford to the Shareholders and their accountants, counsel and other authorized representatives of the Shareholders reasonable access to the properties, books, contracts, commitments, and records of the Companies. Unless otherwise required by law or if necessary to do so in connection with any legal proceeding, or if required by any government or governmental agency or authority, the Shareholders will hold any such information that is nonpublic in confidence; provided, however, that nothing in this **Section 6.1** shall be deemed or construed to impair or otherwise limit those covenants set forth in **Section 6.13** hereof.

Section 6.2 **Expenses.** Whether or not the transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by Buyer, for itself, or the Company, on behalf of the Shareholders, for such incurred expenses.

Section 6.3 **Brokers or Finders.** Each of the parties represents, as to itself, its subsidiaries and its affiliates, that no agent, broker, investment banker, financial advisor, or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, and each of the parties agrees to indemnify and hold the others harmless from and against any and all claims, liabilities, or obligations with respect to any fees, commissions, or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate.

Section 6.4 **Additional Agreements; Best Efforts.** Subject to the terms and conditions of this Agreement, each of the parties agrees to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including cooperating fully with the other parties.

Section 6.5 **Non-Competition Covenants.** Each of the Shareholders agrees that he or she shall not, directly or indirectly, for a period of two (2) years beginning on the Closing Date, engage in, or be or become the owner of an equity interest in, or otherwise consult with, be employed by, or participate in the business of, any entity (other than Buyer or the Company) engaged in the insurance agency business within the following Louisiana parishes: Acadia, Iberia, Lafayette, Lincoln, Saint Landry, Saint Martin, or Vermilion. The Shareholders acknowledge that the confidentiality and non-solicitation covenants to be contained in any employment agreements they may enter into with Buyer will be in addition to, and will not supersede or be subordinate to, the non-competition covenants contained in this **Section 6.5**. Notwithstanding anything in this **Section 6.5**, (a) the servicing by Dale F. Huval of any insurance or bond business of any kind for those accounts or customers of Huval Richard Insurance Agency, Inc. set forth in Schedule 3.9(a)-(2) (the "Richard Accounts") or (b) any indirect remuneration by Thomas K. Huval or Kathryn H. Pontiff in connection with the Richard Accounts, shall not be deemed a breach of this **Section 6.5**.

Section 6.6 **Accounting Matters.** Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Companies (as such term is defined in **Section 3.23** of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.7 **Remedy for Breach of Covenants.** In the event of a breach of the provisions of **Section 6.5** or **6.6**, Buyer and the Companies shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of competent jurisdiction declare the covenants set forth in **Section 6.5** or **6.6** unenforceable due to a unreasonable restriction, duration, geographical area or otherwise, the parties agree that such court shall be empowered and shall grant Buyer, the Company

and their affiliates injunctive relief to the extent reasonably necessary to protect their respective interests. The Shareholders acknowledge that the covenants set forth in **Sections 6.5** and **6.6** represent an important element of the value of the Company Shares and were a material inducement for Buyer to enter into this Agreement.

Section 6.8 **Successor Rights**. The covenants contained in **Sections 6.5** and **6.6** shall inure to the benefit of any successor in interests of Buyer by way of merger, consolidation, sale or other succession.

Section 6.9 **Errors and Omissions Tail Coverage**. On or prior to the Closing Date, the Shareholders shall cause the Companies to purchase, at the Companies' respective expense, a tail coverage extension on each Company's errors and omissions insurance policy. Such coverage shall extend for a period of at least three (3) years from the Closing Date, shall have the same coverages and deductibles currently in effect, and shall otherwise be in form reasonably acceptable to Buyer. A certificate of insurance evidencing such coverage shall be delivered to Buyer at or prior to Closing.

Section 6.10 **Release**. The Shareholders each agree on the Closing Date to execute and deliver the Release.

Section 6.11 **Pledge Agreement**. The parties agree on the Closing Date to enter into the Pledge Agreement.

Section 6.12 **Shareholder Employment Agreements**. Buyer and each of the Shareholders agree on the Closing Date to enter into the respective Shareholder Employment Agreements.

Section 6.13 **Confidentiality**. The parties agree to maintain the existence of this transaction and the terms hereof in confidence, until the earliest of the following circumstances occurs: (a) the parties mutually agree to release such information to the public; (b) Buyer or the Shareholders reasonably concludes that such disclosure is required by law; or (c) the Closing has occurred and ownership of the Company Shares has passed to Buyer.

Section 6.14 **Preparation of Tax Return**. The Shareholders recognize that a year-to-date income tax return must be prepared and filed for each Company as a result of this transaction and that the Shareholders are primarily responsible for causing the preparation of this return; provided, however, that Buyer shall cause the Companies to provide the Shareholders and their authorized representatives with reasonable access to the Companies' books and records in order to prepare such return. The Shareholders therefore agree to cause the preparation of these returns in accordance with federal filing requirements, at the Company's expense, and deliver them to the Companies in advance to review and file. Buyer and the Companies shall be solely responsible for any changes they make to the returns prepared by the Shareholders.

Section 6.15 **Removal of Restrictive Legend**. Upon the Shareholders' written request, at the expiration of the applicable waiting period under Rule 144 (or if and when successfully registered for resale with the SEC), Buyer shall instruct its transfer agent to remove any restrictive legends on those certificates issued to the Shareholders evidencing the Buyer Shares.

Section 6.16 **Release of Personal Guarantees**. As of Closing, the Shareholders shall be deemed to be released from any personal guarantees made by such Shareholders with respect to any obligation of the Companies. Buyer shall cooperate to have such Shareholders released by the Companies' creditors from any such personal guarantees and shall indemnify such Shareholders from any Adverse Consequences (as defined in **Section 8.2** hereof) arising from such personal guarantees, provided that such Adverse Consequences do not arise as a result of any default prior to the Closing Date by any such Shareholder under such personal guarantee.

Section 6.17 **Release of Security Interests**. On the Closing Date, the Shareholders shall deliver "payoff letters" from each Company's respective creditors, identifying the amount that must be paid to satisfy such Company's obligations to such creditor as of the Closing Date, and shall cause the Companies to pay, with funds provided by Buyer, such amounts in full on the Closing Date. The Shareholders shall cooperate in obtaining releases from the Companies' secured creditors of the their respective security interests promptly after Closing including, without limitation, (a) the return of any physical stock certificates evidencing the Shareholders' shares in HIA-Abbeville and (b) causing BankOne to execute and file a UCC-3 financing statement in connection with its security interest described in **Section 3.9(a)**.

Article 7

Conditions

Section 7.1 **Conditions to Each Party's Obligation**. The respective obligations of each party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction prior to or on the Closing Date of the following conditions:

(a) **Approvals**. All authorizations, consents, orders, or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure to obtain which would have a material adverse effect on any Company, shall have been filed, occurred, or been obtained.

(b) **No Injunctions or Restraints**. No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction shall be in effect.

Section 7.2 **Conditions to Obligations of Buyer**. The obligation of Buyer to effect the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions, unless waived by Buyer:

(a) *Representations and Warranties.* The representations and warranties of the Shareholders set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) *Performance of Obligations by the Shareholders.* The Shareholders shall have performed all obligations required to be performed by them under this Agreement at or prior to the Closing Date.

(c) *Employment Agreements.* Each employee of the Companies that Buyer intends to retain shall have executed and delivered to Buyer a copy of Buyer's standard employment agreement, which contains confidentiality and non-solicitation provisions.

(d) *Due Diligence.* Buyer shall be satisfied, in its sole discretion, with the results of its due diligence investigation of the Company including, without limitation, Buyer's real estate and environmental due diligence with respect to the Real Property.

(e) *Opinion of the Shareholders' Counsel.* The Shareholders shall have delivered to Buyer a written opinion of counsel dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer.

(f) *Pledge Agreement.* The Shareholders shall have executed and delivered to Buyer the Pledge Agreement, along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares.

(g) *Release.* Each Shareholder shall have executed and delivered to Buyer the Release.

(h) *Adverse Changes.* There shall have been no material adverse change to the business or financial condition of any Company since the Balance Sheet Date.

(i) *Board Approval.* Buyer's Board of Directors shall have approved this transaction and the issuance of the Buyer Shares to the Shareholders.

(j) *Tangible Net Worth.* Buyer shall be satisfied that the Companies, on a consolidated basis, have Tangible Net Worth (as defined herein) as of the Closing Date of at least ten percent (10%) of the Companies' consolidated Core Revenue for the twelve (12) month period ended July 31, 2000. For purposes of this Agreement, the term "Tangible Net Worth" shall be calculated as agreed between Buyer and the Shareholders, as set forth in Schedule 7.2(j).

(k) *Appointment by Insurance Carriers.* Buyer shall be satisfied that those insurance carriers of the Companies that Buyer wishes to appoint Buyer as their agent are willing to do so as of the Closing Date.

(l) *Termination of Employee Benefit Plans.* Buyer shall be satisfied that each Company has properly terminated all of its Employee Benefit Plans (except for its Employee Welfare Benefit Plans), effective prior to the Closing Date.

(m) *Termination of Liens and Encumbrances.* Buyer shall be satisfied that all liens or other encumbrances on any of the Company Shares and the assets of any Company have been satisfied and released prior to Closing.

(n) *Accounting and Tax Treatment; Securities Exemption.* Buyer shall be satisfied that its acquisition of the Company Shares and related issuance of the Buyer Shares shall qualify (i) for treatment for accounting purposes as a pooling-of-interests transaction and (ii) for an exemption from registration under federal and state securities laws.

(o) *Spousal Consents.* Pursuant to Louisiana community property law, Buyer shall have received executed written consents to this Agreement and the transactions contemplated herein from the respective spouses of the Shareholders.

(p) *Payoff of Company Debt.* The Shareholders shall have delivered to Buyer "payoff" letters from the Companies' creditors, and Buyer shall be satisfied that the obligation amounts set forth in such payoff letters have been paid in full by the Companies.

(q) *Waiver of Rights of First Refusal.* The Shareholders shall have delivered to Buyer evidence satisfactory to Buyer in its sole discretion that any right of first refusal in favor of the Shareholders and/or any of the Companies in connection with the sale of such Company's stock, whether pursuant to such Company's Articles of Incorporation or otherwise, have been waived by the Shareholders and/or such Company, as the case may be.

Section 7.3 Conditions to Obligation of the Shareholders. The obligations of the Shareholders to effect the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, unless waived by the Shareholders:

(a) *Representations and Warranties.* The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) *Performance of Obligations by Buyer.* Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) *Opinion of Buyer's Counsel.* Buyer's Assistant General Counsel shall have delivered to the Shareholders a written opinion dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(b)(i) with only such changes therein as shall be in form and substance reasonably satisfactory to the Shareholders.

Article 8

Indemnification

Section 8.1 **Survival of Representations, Warranties, Indemnities and Covenants.** The representations, warranties and indemnities set forth in this Agreement and any right to bring an action at law, in equity, or otherwise for any misrepresentation or breach of warranty under this Agreement shall survive for a period of one (1) year from the Closing Date. All post-closing covenants shall survive the Closing for the period specified in this Agreement or, if not specified, for a period of one (1) year following the Closing Date.

Section 8.2 **Indemnification Provisions for the Benefit of Buyer.** Subject to **Section 8.4**, the Shareholders, jointly and severally, agree to indemnify and hold Buyer, the Companies and their respective officers, directors and affiliates harmless from and against (a) any amount of those accounts receivable of the Companies aged as of the Closing Date over fifty-nine (59) days (the "Aged Accounts Receivable") which remain uncollected as of the one-year anniversary of the Closing Date, net of any reasonable reserve for bad debts, and (b) any and all Adverse Consequences (as defined below) any of such parties may suffer or incur resulting from, arising out of, relating to, or caused by (i) the material breach of any of the Shareholders' representations, warranties, obligations or covenants contained herein, or (ii) the operation of any Company's insurance agency business or ownership of the Company Shares by the Shareholders on or prior to the Closing Date, including, without limitation, any claims or lawsuits based on conduct of the Shareholders, the Companies, or their respective officers, directors or affiliates, occurring before the Closing. For purposes of this **Article 8**, the phrase "Adverse Consequences" means all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations, injunctions, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), obligations, taxes, liens, losses, expenses, and fees, including all attorneys' fees and court costs.

Section 8.3 **Indemnification Provisions for the Benefit of the Shareholders.** Subject to **Section 8.4**, Buyer agrees to indemnify and hold the Shareholders harmless from and against any and all Adverse Consequences the Shareholders may suffer or incur resulting from, arising out of, relating to, or caused by (a) the material breach of any of Buyer's representations, warranties, obligations or covenants contained herein, or (b) the operation of the insurance agency business of the Companies or ownership of the Company Shares by Buyer after the Closing Date, including, without limitation, any claims or lawsuits based on conduct of Buyer, any Company or their respective officers, directors or affiliates, occurring after the Closing.

Section 8.4 **Maximum Indemnification Amount; Materiality Threshold.** (a) Notwithstanding anything in this **Article 8** to the contrary, no party (the Shareholders being considered one party for purposes of this **Section 8.4**) shall be liable for any otherwise indemnifiable obligations under this **Article 8** to the extent such obligations in the aggregate exceed the Purchase Price.

(b) No party (the Shareholders collectively being considered one party for purposes of this **Section 8.4**) shall be entitled to indemnification hereunder with respect to any claim or claims unless and until the aggregate amount of the indemnified claim or claims exceeds \$42,800.00. Once such party's claims exceed \$42,800.00 in the aggregate, such party shall be entitled to be indemnified for the full amount of its claims to the extent such claims exceed such \$42,800.00 aggregate amount.

Article 9

[INTENTIONALLY OMITTED]

Article 10

Miscellaneous

Section 10.1 **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (if confirmed), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses or at such other address for a party as shall be specified by like notice:

(a) If to Buyer, to

Brown & Brown, Inc.

401 E. Jackson Street, Suite 1700

Tampa, Florida 33602

Telecopy No.: (813) 222-4464

Attn: Laurel L. Grammig, Esq.

(b) if to the Shareholders, to

Tommy Huval

102 Asma Boulevard

Lafayette, Louisiana 70508

Telecopy No.: (337) 234-5175

with a copy to

Breazeale, Sachse & Wilson, L.L.P.
Twenty-Third Floor, One American Place
Baton Rouge, Louisiana 70821
Telecopy No.: (225) 381-8029
Attn: Van R. Mayhall, Jr.

Section 10.2 **Use of Term "Knowledge"**. With respect to the term "Knowledge" or "Known" as used herein: (a) an individual will be deemed to have "Knowledge" of a particular fact or other matter (or such fact or matter will be deemed "Known" if (i) such individual is actually aware of such fact or other matter, or (b) a prudent individual could be expected to discover or otherwise become of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter; and (b) a corporation will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving, who has at any time in the twelve (12) months prior to the Closing Date served, as a director, officer, employee, executor, or trustee (or in any similar capacity) of such corporation has, or at any time had, Knowledge of such fact or other matter.

Section 10.3 **Counterparts**. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.4 **Entire Agreement**. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 10.5 **Assignment**. Except as contemplated in **Section 6.8** hereof, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 10.6 **Amendment**. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 10.7 **Joint Efforts**. This Agreement is the result of the joint efforts and negotiations of the parties hereto, with each party being represented, or having the opportunity to be represented, by legal counsel of its own choice, and no singular party is the author or drafter of the provisions hereof. Each of the parties assumes joint responsibility for the form and composition of this Agreement and each party agrees that this Agreement shall be interpreted as though each of the parties participated equally in the composition of this Agreement and each and every provision and part hereof. The parties agree that the rule of judicial interpretation to the effect that any ambiguity or uncertainty contained in an agreement is to be construed against the party that drafted the agreement shall not be applied in the event of any disagreement or dispute arising out of this Agreement.

Section 10.8 **Headings**. All paragraph headings herein are inserted for convenience of reference only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

Section 10.9 **Severability**. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be illegal, invalid or unenforceable, either in whole or in part, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or covenants, or any part thereof, all of which shall remain in full force and effect.

Section 10.10 **Attorneys' Fees**. The prevailing party in any proceeding brought to enforce the provisions of this Agreement shall be entitled to an award of reasonable attorneys' fees and costs incurred at both the trial and appellate levels incurred in enforcing its rights hereunder.

Section 10.11 **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles thereof.

[Remainder of Page Intentionally Left Blank - Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed or caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

BUYER:

BROWN & BROWN, INC.

By: /S/ THOMAS M. DONEGAN, JR.

Name: Thomas M. Donegan, Jr.

Title: Vice President

SHAREHOLDERS:

/S/ THOMAS K. HUVAL

Thomas K. Huval, individually

/S/ KATHRYN H. PONTIFF

Kathryn H. Pontiff, individually

/S/ DALE F. HUVAL

Dale F. Huval, individually

SCHEDULES AND EXHIBITS

Schedule 3.3: Capitalization

Schedule 3.9(a)-(1): Liens and Encumbrances

Schedule 3.9(a)-(2): Book of Business

Schedule 3.9(f)(i): Real Property; Outstanding Mortgages

Schedule 3.9(f)(ii): Leases on Real Property

Schedule 3.12: Litigation and Claims

Schedule 3.15: Material Contracts

Schedule 3.17: Insurance Policies

Schedule 3.20: Employee Benefit Plans

Schedule 3.21(c): Owned Intellectual Property

Schedule 3.21(d): Licensed Intellectual Property

Schedule 7.2(j): Tangible Net Worth

Exhibit 2.2(a)(iii): Pledge Agreement

Exhibit 2.2(a)(ii): Release

Exhibit 2.2(a)(iv): Opinion of the Shareholders' Counsel

Exhibit 2.2(a)(v): Shareholder Employment Agreement

Exhibit 2.2(b)(ii): Opinion of Buyer's Counsel

G:\JHAYES\LOUISIAN\HUVAL\SPA4.doc

ADDENDUM TO STOCK PURCHASE AGREEMENT

REGISTRATION RIGHTS PROVISIONS

Section 1. Definitions. As used in this Addendum, the following terms have the meanings specified below and include the plural as well as the singular:

"*Common Stock*" means the Company's common stock, par value \$0.10 per share.

"*Company*" means Brown & Brown, Inc., a Florida corporation.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"*Governmental Authority*" means any nation or government, any state or other political subdivision thereof and any court, panel, judge, board, bureau, commission, agency or other entity, body or other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*NASD*" means the National Association of Securities Dealers, Inc.

"*Person*" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"*Prospectus*" means the prospectus included in any Registration Statement at the time the same becomes effective, as amended or supplemented by any prospectus supplement, including post-effective amendments and all material incorporated by reference in the prospectus.

"*Registrable Shares*" means the Sellers' Registrable Shares. All such securities shall cease to be Registrable Shares when they (i) have been distributed to the public pursuant to an offering registered under the Securities Act, (ii) become eligible to be sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force), or (iii) are sold by Sellers.

"*Registration Expenses*" means all expenses incident to the Company's performance of or compliance with this Addendum, including, without limitation, all SEC and stock exchange or NASD registration and filing fees and expenses, fees and expenses of compliance with securities or blue sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares), printing expenses, messenger and delivery expenses, the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange or national market system on which similar securities issued by the Company are then listed, fees and disbursements of counsel for the Company and all independent certified public accountants (including the expenses of any annual audit, special audit, if necessary, and "cold comfort" letters required by or incident to such performance and compliance and the fees and expenses of any special experts retained by the Company); however, the Company shall not be responsible for any underwriting discounts or commissions, fees and expenses of counsel to Sellers or transfer taxes, if any, attributable to the sale of Sellers' Registrable Shares.

"*Registration Statement*" means any registration statement of the Company that covers any of the Registrable Shares pursuant to the provisions of this Addendum, including all pre-effective amendments and post-effective amendments thereto, the Prospectus and supplements thereto, all exhibits, and all materials incorporated by reference in the Registration Statement.

"*SEC*" means the Securities and Exchange Commission or any successor thereof.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"*Seller Representative*" means Thomas K. Huval, or any other person designated in a writing signed by the Sellers and delivered to the Company in accordance with the notice provisions of the Stock Purchase Agreement, to act as their representative under this Addendum.

"*Sellers*" means the parties identified as "Shareholders" in the Stock Purchase Agreement.

"*Stock Purchase Agreement*" means the stock purchase agreement to which this Addendum is attached.

"*Sellers' Registrable Shares*" means all Common Stock issued to Sellers pursuant to the terms of the Stock Purchase Agreement and all Common Stock issued with respect to such Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, reorganization or otherwise.

Section 2. Registration Rights.

(a) The Company shall prepare and file a Registration Statement on or before March 31, 2001, providing for the sale of the Registrable Shares by the Sellers pursuant to Rule 415 of the Securities Act or any similar rule that may be adopted by the SEC; however, none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares: (i) before the date on which financial results covering at least thirty (30) days of post-Closing Date (as defined in the Stock Purchase Agreement) combined operations of the Company and Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc, Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated, each a Louisiana corporation, along with any subsidiaries thereof, have been published by the Company except as otherwise permitted by the Stock Purchase Agreement; (ii) if such sale, transfer, pledge or disposition would prevent the stock purchase pursuant to the Stock Purchase

Agreement from being accounted for as a pooling-of-interests; or (iii) while such Registration Statement remains effective, during a period beginning fifteen (15) days before the end of each of the Company's fiscal quarters and ending on the second (2nd) business day following the next release by the Company to the public of quarterly or annual earnings. The Registration Statement may include other securities of the Company designated by the Company and may include securities of the Company being sold for the account of the Company or others.

(b) The provisions of this Section 2 will be subject to the following conditions:

(i) If at any time after the Company files a Registration Statement hereunder the Company decides to make a public offering of securities through one or more underwriters, and an underwriter selected by the Company to manage such proposed underwriting advises the Company that it believes that such underwritten offering could be adversely affected by the concurrent registered offering of Registrable Shares pursuant hereto, then the Company may delay or suspend the filing or effectiveness of such Registration Statement for no more than one hundred eighty (180) days and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares.

(ii) If the Company, in its sole discretion, determines that the filing, maintenance of the effectiveness thereof or the fulfillment of any obligation it has hereunder to update, amend or supplement a Registration Statement would be detrimental to the Company, the Company shall have the right to defer the filing of a Registration Statement hereunder or delay or suspend the effectiveness thereof or suspend or delay fulfilling any obligation it has hereunder to update, amend or supplement a Registration Statement for the period for which such act would be detrimental, and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares; provided, however, that such period may not exceed more than forty-five (45) days.

Section 3. *Expenses.* The Company will pay all Registration Expenses in connection with the registration pursuant to Section 2 of this Addendum, whether or not such registration becomes effective under the Securities Act. Notwithstanding the foregoing, Sellers shall pay all underwriting discounts and commissions, fees and expenses of counsel to the Sellers, and transfer taxes incurred in connection with any registration pursuant to Section 2.

Section 4. *Registration Procedures.*

(a) With respect to a registration pursuant to Section 2 of this Addendum, the Company, subject to subsection 2(b) above, will use reasonable efforts to promptly effect the registration of the Registrable Shares, and in connection therewith, the Company shall do the following:

(i) prepare and file with the SEC a Registration Statement on or before March 31, 2001, and use reasonable efforts to cause such Registration Statement to become effective;

(ii) prepare and file with the SEC such amendments and post-effective amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continually effective for a period expiring on the earlier of (A) the date there are no longer shares of Common Stock outstanding that constitute Registrable Shares or (B) one (1) year from the Closing Date (as defined in the Stock Purchase Agreement);

(iii) promptly notify Sellers, at any time when a Prospectus relating to Sellers' Registrable Shares covered by the Registration Statement is required to be delivered under the Securities Act, of the occurrence of any event as a result of which the Registration Statement or the Prospectus or any document incorporated therein contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, and the Company shall promptly prepare and file with the SEC and furnish to Sellers a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the Sellers' Registrable Shares, such Prospectus shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) use reasonable efforts to register or qualify the Registrable Shares covered by the Registration Statement for offer and sale under the securities or "blue sky" laws of each state and other U.S. jurisdiction as Sellers reasonably request in writing; however, the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to so qualify, (B) take any action that would subject it to general service of process in any jurisdiction where it would not otherwise be subject to such general service of process, or (C) subject itself to general taxation in any jurisdiction where it would not otherwise be subject; and

(v) use reasonable efforts to cause all Registrable Shares included in such Registration Statement to be listed on the New York Stock Exchange (or any other market on which the Common Stock is then listed).

(b) Sellers, upon receipt of any notice from the Company of the occurrence of any event of the kind described in clause (iii) of subsection 4(a) above, will forthwith discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares until Seller's receipt of the copies of the supplemented or amended Prospectus contemplated by such subsection 4(a) and, if so directed by the Company, Sellers will deliver to the Company all copies, other than permanent file copies then in Sellers' possession, of the most recent Prospectus covering such Sellers' Registrable Shares at the time of receipt of such notice. Seller, upon receipt of any notice from the Company of the issuance of any stop order or blue sky order will forthwith, in the case of any stop order, discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares or, in the case of any blue sky order, discontinue disposition of the Sellers' Registrable Shares in the applicable jurisdiction, until advised in writing of the lifting or withdrawal of such order.

Section 5. *Indemnification.*

(a) *Indemnification by the Company.* The Company shall indemnify and hold harmless Sellers, against any and all losses, claims, damages or liabilities, joint or several, and expenses to which any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (i) any materially untrue statement or alleged untrue statement of any material fact contained in any Registration Statement or Prospectus, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; however, the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense (x) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of Sellers specifically for use in the Registration Statement or Prospectus, or (y) results from the fact that a Seller sold Registrable Shares to a Person to whom there was not sent or given, at or before the written confirmation of such sale, a copy of the Prospectus, if the Company had previously made available to such Seller copies thereof and such Prospectus, as then amended or supplemented, corrected such misstatement or omission, or (z) results from a Seller breaching one or more of its obligations hereunder.

(b) Indemnification by Sellers. Sellers will indemnify and hold harmless (in the same manner and to the same extent as set forth in subsection 5(a), including, without limitation, clauses (y) and (z) of the proviso set forth therein) the Company and its directors, officers and controlling persons, each other party registering securities under a Registration Statement and each underwriter, dealer manager or similar securities industry professional participating in the distribution of Seller's Registrable Shares and such securities industry professional's respective directors, officers, partners and controlling persons and any other party offering securities under such Registration Statement, (i) with respect to any statement or alleged statement in or omission or alleged omission from such Registration Statement or Prospectus if such statement or alleged statement or omission or alleged omission was made in reliance upon information furnished to the Company by or on behalf of Sellers for use in such Registration Statement or Prospectus, (ii) results from the fact that Sellers sold Sellers' Registrable Shares to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus if the Company had previously furnished copies thereof to Sellers and such Prospectus, as then amended or supplemented, corrected such misstatements or omission, or (iii) results from such Seller breaching one or more of its obligations hereunder. Sellers will reimburse the indemnified parties for any legal or other costs or expenses incurred in connection with defending any such loss, claim, damage, liability, action or proceeding.

(c) Notice of Claims, etc. Promptly after receipt by an indemnified party under subsection 5(a) or (b) of notice of any claim or the commencement of any action or proceeding subject to indemnification thereunder, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under either of such subsections, promptly notify the indemnifying party in writing of the claim or the commencement of the action or proceeding; provided that the failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party under subsection 5(a) or (b) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice. If any such claim, action or proceeding shall be brought against an indemnified party, and it shall timely notify the indemnifying party, the indemnifying party shall be entitled to participate in, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim, action or proceeding, the indemnifying party shall not be liable to the indemnified party under, subsection 5(a) or (b) for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; however, such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim, action or proceeding or has failed to employ counsel reasonably satisfactory to such indemnified party in any such claim, action or proceeding, or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such indemnified party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party that are inconsistent or in conflict with those available to the indemnifying party (in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action or proceeding on behalf of such indemnified party), it being understood, however, that the indemnifying party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for such indemnified party and any other indemnified parties similarly situated, which firm shall be designated in writing by such indemnified parties. The indemnifying party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the indemnifying party agrees to indemnify and hold harmless such indemnified parties from and against any loss or liability by reason of such settlement or judgment.

(d) Contribution. If the indemnification provided for in subsection 5(a) or (b) is unavailable or insufficient to hold harmless an indemnified party, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in subsection 5(a) or (b), (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and Sellers on other hand from the sale of the Sellers' Registrable Shares, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and Sellers on the other hand in connection with statements or omissions that resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and Sellers on the other hand shall be deemed to be in the same proportion as the total net proceeds from the issuance and sale of such Registrable Shares (before deducting expenses) received by the Company bear to the total compensation or profit (before deducting expenses) received or realized by Sellers of Sellers' Registrable Shares from the resale of such Registrable Shares. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Sellers of Sellers' Registrable Shares and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and Sellers agree that it would not be just and equitable if contributions pursuant to this subsection 5(d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection 5(d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in the first sentence of this subsection 5(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any claim, action or proceeding (which shall be limited as provided in subsection 5(c) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof) that is the subject of this subsection 5(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding against such party in respect of which a claim for contribution may be made against an indemnifying party under this subsection 5(d), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in subsection 5(c) above has not been given with respect to such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party under this subsection 5(d) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice.

Section 6. Miscellaneous.

(a) Amendments and Waivers. No waiver, amendment, modification or supplement of any provision of this Addendum, including this subsection 6(a), shall be valid unless it is approved in writing by the Company and the Sellers' Representative.

(b) Assignment. Sellers shall not be entitled to assign or transfer any or all of their rights under this Addendum, whether by operation of law or otherwise.

(c) Termination. The provisions of this Addendum will terminate with respect to a Seller's Registrable Shares, other than the provisions of Section 5 hereof, which will survive any such termination, as to a Seller when he or she ceases to own Registrable Shares.

G:\JHAYES\LOUISIANHUV\AL\REG_ADD.doc

STOCK ACQUISITION AGREEMENT

This STOCK ACQUISITION AGREEMENT, dated as of January 13, 2001 (this "Agreement"), is made and entered into by and among BROWN & Brown, Inc., a Florida corporation ("Buyer"), and THOMAS K. HUVAL, a resident of the State of Louisiana, KATHRYN H. PONTIFF, a resident of the State of Louisiana, DALE F. HUVAL, a resident of the State of Louisiana, MARK W. GAGNARD, a resident of the State of Louisiana, and DENNY R. BASS, a resident of the State of Louisiana (each a "Shareholder" and collectively, the "Shareholders").

Background

The Shareholders own all of the outstanding capital stock of Benesys, Inc., a Louisiana corporation and the parent company of Bass Administrators, Inc. (the "Company"). The Company is engaged primarily in the insurance agency business in Lafayette, Louisiana. The Shareholders wish to transfer all of the outstanding shares of each of the Company to Buyer, and Buyer desires to acquire such shares, upon the terms and conditions expressed in this Agreement. It is the intent of the parties that this transaction qualify for accounting purposes as a pooling-of-interests transaction and as a tax-free exchange under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

THEREFORE, in consideration of the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follow:

Article 1

The Acquisition

Section 1.1 *Acquisition and Transfer of Shares.* On and subject to the terms and conditions of this Agreement, Buyer agrees to acquire all of the issued and outstanding shares of capital stock of the Company, as more fully set forth in Schedule 3.3 (collectively, the "Company Shares"), from the Shareholders and the Shareholders agree to transfer all of the Company Shares to Buyer, free and clear of all liens and encumbrances. The Company Shares shall be transferred to Buyer for the consideration specified in Section 1.2.

Section 1.2 *Consideration.* The consideration for the Company Shares shall be the issuance of shares of common stock of Buyer to the Shareholders. The number of shares of common stock of Buyer to be issued to the Shareholders shall be 92,331 (the "Buyer Shares"), which is an amount, rounded to the nearest whole number, equal to (a) \$3,075,002.27 (the "Purchase Price"), divided by (b) \$33.3042 (the "Average Price").

Section 1.3 *Delivery of Buyer Shares.* (a) The Buyer Shares shall be issued to the Shareholders as follows:

(i) ten percent (10%) of the Buyer Shares shall be pledged to Buyer as partial security for the indemnification obligations of the Shareholders under Article 8 hereof (the "Pledged Shares"). These Pledged Shares, subject to any reduction in number as may be necessary to satisfy the Shareholders' indemnification obligations, shall be delivered to the Shareholders one (1) year after the Closing Date, in accordance with the terms of the Pledge Agreement attached hereto as Exhibit 2.2(a)(iii).

(ii) The remainder of the Buyer Shares shall be delivered to the Shareholders at the Closing (as defined in Section 2.1 hereof). The total number of Buyer Shares to be issued to the Shareholders will be issued as follows: twenty percent (20%) of the shares will be issued to each of the Shareholders.

(b) The parties agree that the dollar value of each Buyer Share shall be the Average Price for all purposes in determining (i) the number of Buyer Shares to be issued under Section 1.2 hereof, (ii) the number of Buyer Shares to be pledged under this Section 1.3, or (iii) the number of Pledged Shares Buyer may withhold to satisfy an indemnifiable claim, notwithstanding the actual market value of such shares (in each case with respect to clauses (i), (ii) or (iii), as adjusted for any stock splits or stock dividends).

Section 1.4 *Accounting and Tax Treatment.* The parties agree (a) to structure this transaction as a tax-free exchange, and (b), as more fully described in Section 9.6 to this Agreement, to treat this transaction for accounting purposes as a pooling-of-interests transaction and to take all actions necessary to characterize the transaction as such.

Section 1.5 *Registration of Buyer Shares.* The Shareholders and Buyer shall have the rights and obligations set forth in the Registration Rights Addendum attached hereto with respect to the registration of the Buyer Shares for sale and other matters addressed therein.

Article 2

Closing, Items to be Delivered,

Further Assurances, and Effective Date

Section 2.1 *Closing.* The consummation of transactions contemplated under this Agreement (the "Closing") will take place at 9 a.m., local time, on January 13, 2001 (the "Closing Date"), at the offices of Huval Insurance Agency, Inc., located at

102 Asma Boulevard, Suite 300, Lafayette, Louisiana 70508, unless another date or place is agreed to in writing by the parties hereto.

Section 2.2 Closing Obligations. At the Closing:

(a) The Shareholders will deliver to Buyer:

(i) certificates representing the Company Shares to Buyer, properly endorsed for transfer or with executed stock powers attached, for transfer to Buyer;

(ii) a release in the form of Exhibit 2.2(a)(ii), executed by each of the Shareholders (the "Release");

(iii) a pledge agreement in the form of Exhibit 2.2(a)(iii), executed by each of the Shareholders (the "Pledge Agreement"), along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares;

(iv) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Shareholders' Counsel");

(v) employment agreements in the form of Exhibit 2.2(a)(v), executed by those Shareholders to whom Buyer has offered employment (collectively, "Shareholder Employment Agreements");

(vi) evidence to Buyer's satisfaction that the Company has terminated all of its Employee Benefits Plans (other than Employee Welfare Benefit Plans), with such termination effective prior to the Closing Date; and

(b) Buyer shall deliver to the Shareholders:

(i) certificates representing the number of Buyer Shares to be issued to the Shareholders at the Closing pursuant to Section 1.3(b) hereof;

(ii) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Buyer's Counsel"); and

(iii) the Shareholder Employment Agreements, executed by Buyer.

Section 2.4 Mutual Performance. At or prior to the Closing, the parties hereto shall also deliver to each other the agreements, certificates, and other documents and instruments referred to in Articles 6 and 7 hereof.

Section 2.5 Third Party Consents. To the extent that the Company Shares may not be transferred to Buyer hereunder without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to transfer the same if an attempted transfer would constitute a breach thereof or be unlawful, and the Shareholders, at their expense, shall use their best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted transfer would be ineffective or would impair Buyer's rights so that Buyer would not in effect acquire the benefit of all such rights, the Shareholders, to the maximum extent permitted by law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Section 2.6 Further Assurances. From time to time after the Closing, the Shareholders will execute, acknowledge and deliver to Buyer such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably request in order to vest more effectively in Buyer, or to put Buyer more fully in possession of, the Company Shares. Each of the parties hereto will cooperate with the others and execute and deliver to the other parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

Section 2.7 Effective Date. The Effective Date of this Agreement and all related instruments executed at the Closing shall be the Closing Date.

Article 3

Representations and Warranties of the Shareholders

The Shareholders represent and warrant to Buyer as follows:

Section 3.1 Organization. The Company is a corporation organized and in good standing under the laws of Louisiana and its status is active. The Company has all requisite corporate power and authority and all necessary governmental approvals to own, lease, and operate its properties and to carry on its business as now being conducted. The Company is duly qualified

to do business and is in good standing as a foreign corporation in each jurisdiction where the conduct of its insurance agency business requires it to be so qualified.

Section 3.2 Authority. The Shareholders have the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Shareholders and constitutes their valid and binding obligation, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect which offset creditors' rights generally, and general equitable principles.

Section 3.3 Capitalization. Schedule 3.3 sets forth the number and par value of the shares that each of the Shareholders holds in the Company. Collectively, the Company Shares constitute all of the issued and outstanding shares of capital stock of the Company. All of the Company Shares have been duly issued and are fully paid and nonassessable. All of the Company Shares are owned and held by the Shareholders, free and clear of all liens, encumbrances or other third-party rights of any kind whatsoever. There are no outstanding agreements, options, rights or privileges, whether preemptive or contractual, to acquire shares of capital stock or other securities of any of the Company.

Section 3.4 Corporate Records. The Shareholders have delivered to Buyer correct and complete copies of the Articles of Incorporation and Bylaws of each Company, each as amended to date. The minute books containing the records of meetings of the shareholders, board of directors, and any committees of the board of directors, the stock certificate books, and the stock record books of each Company are correct and complete and have been made available for inspection by Buyer. The Company is not in default under or in violation of any provision of its Articles of Incorporation or Bylaws.

Section 3.5 Consents and Approvals; No Violations. Neither the execution, delivery or performance of this Agreement by the Shareholders nor the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will (a) except with respect to any options or rights of first refusal in favor of the Company (which options or rights the Shareholders shall cause the Company to reject prior to Closing), conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of the Company, (b) except for any necessary filings with the Louisiana Secretary of State or Department of Insurance, require any filing with, or permit, authorization, consent, or approval of, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority or agency (each a "Governmental Entity"), (c) except with respect to certain indebtedness which shall be paid off in connection with the Closing, result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions, or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which any of the Shareholders or the Company is a party or by which any of the Shareholders or the Company or any of their respective properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Shareholders or the Company, or any of their respective properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect on the Company or Buyer's ownership of the Company Shares.

Section 3.6 No Third Party Options. There are no existing agreements, options, commitments, or rights with, of or to any person to acquire any of the Company's securities, assets, properties or rights, or any interests therein.

Section 3.7 Financial Statements. The Shareholders have delivered to Buyer true and complete copies of the Company's consolidated balance sheet as of December 31, 2000 (the "Balance Sheet Date") and the related statement of income for the twelve (12) months then ended, all of which have been prepared in accordance with generally accepted accounting principles, consistently applied throughout the periods involved. Such balance sheets fairly present the consolidated financial position, assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company at the dates indicated and such statements of income fairly present the results of operations for the periods then ended. The Company's financial books and records are accurate and complete in all material respects.

Section 3.8 Absence of Certain Changes. Since the Balance Sheet Date, there have been no events or changes having a material adverse effect on the assets, liabilities, financial condition or operations of the Company or, to the Shareholders' or the Company's Knowledge (as defined in Section 10.2 of this Agreement), on the future prospects of the Company. Since the Balance Sheet Date, no Company has made any distributions or payments to any of the Shareholders (other than normal compensation that may have been paid to the Shareholders in their capacity as bona fide employees) and has not entered into any agreements other than in the ordinary course of business. Since the Balance Sheet Date, each Company has carried on business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and has not taken any unusual actions in contemplation of this transaction except to the extent that Buyer has given its prior specific consent.

Section 3.9 Assets. (a) Except as set forth in Schedule 3.9(a)-(1), the Company owns and holds, free and clear of any lien, charge, pledge, security interest, restriction, encumbrance or third-party interests of any kind whatsoever (including insurance company payables), sole and exclusive right, title, and interests in and to the customer expiration records for those customers listed in Schedule 3.9(a)-(2), together with the exclusive right to use such records and all customer accounts, copies of insurance policies and contracts in force, and all files, invoices and records pertaining to the customers, their contracts and insurance policies, and all related information. All customer accounts listed in Schedule 3.9(a)-(2) represent current customers of the Company and none of such accounts has been cancelled or transferred as of the date hereof.

(b) The name "The Huval Companies" is the only trade name used by the Company within the past three (3) years. No party has filed a claim during the past three (3) years against the Company alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party, or, if so, the claim has been settled with no existing liability to the Company and, to the Knowledge of the Shareholders or the Company, the Company has not violated or infringed any trademark, trade name, service mark, service name, patent, copyright or trade secret held by others.

(c) The computer software of the Company performs in a manner sufficient to operate the businesses of the Company as such businesses have historically been operated. The Shareholders have delivered to Buyer complete and correct copies of all user and technical documentation related to such software.

(d) The Company owns or leases all tangible assets necessary for the conduct of its business. All equipment, inventory, furniture and other assets owned or used by the Company in its business are in a state of good repair and maintenance, having regard for the purposes of which they are used, and the purposes for which such assets are used and for which they are held by the Company are not in violation of any statute, regulation, covenant or restriction. The Company owns or leases all office furniture, fixtures and equipment in its respective office locations.

(e) All notes and accounts receivables of the Company are reflected properly on its books and records, are valid receivables subject to no set-offs or counterclaims either asserted to date or of which the Shareholders or the Company has Knowledge, are presently current and collectible, net of reserves for bad debt, and will be collected in accordance with their terms at their recorded amounts. All of the Company's accounts payable, including accounts payable to insurance carriers, are current and reflected properly on the Company's books and records, and will be paid in accordance with their terms at their recorded amounts.

Section 3.10 *Undisclosed Liabilities.* The Company has no liabilities, and, to the Shareholders' or the Company's Knowledge, there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand against the Company giving rise to any liability, except (a) those liabilities reflected in the December 31, 2000 consolidated balance sheet of the Company, (b) liabilities which have arisen after the Balance Sheet Date in the ordinary course of business (none of which relates to any claim asserted with respect to any breach of contract, breach of warranty, tort, infringement, or violation of law, or arose from any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand), or (c) Incurred-But-Not-Reported (IBNR) health insurance claims by any plan participants. The Company has not guaranteed the obligations of any third party, including, without limitation, guarantees relating to premium financing on behalf of its customers.

Section 3.11 *Litigation and Claims.* Except as disclosed in Schedule 3.11, there is no suit, claim, action, proceeding or investigation pending or, to the Shareholders' or the Company's Knowledge, threatened against the Company, and there is no basis for such a suit, claim, action, proceeding or investigation. The Company is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have an adverse effect on the Company or would prevent the Shareholders from consummating the transactions contemplated hereby. No voluntary or involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to the Shareholders or the Company has been filed by or, to the Knowledge of the Shareholders or the Company, against the Shareholders or the Company, nor will the Shareholders or the Company file such a petition prior to the Closing Date or for one hundred (100) days thereafter, and if such petition is filed by others, the same will be promptly discharged. Each of the Shareholders is solvent on the date hereof and will be solvent on the Closing Date. Neither the Shareholders nor the Company has, and at the Closing Date will not have, made any assignment for the benefit of creditors, or admitted in writing insolvency or that its property at fair valuation will not be sufficient to pay its debts, nor will the Shareholders permit any judgment, execution, attachment, or levy against them or their properties to remain outstanding or unsatisfied for more than ten (10) days.

Section 3.12 *Compliance with Applicable Law.* The Company holds all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities necessary for the lawful conduct of its business (collectively, the "Permits"). The Company is in compliance with the terms of the Permits, except where the failure to comply would not have an adverse effect. The Company is not conducting business in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have an adverse effect on its business. As of the date of this Agreement, no investigation or review by any Governmental Entity with respect to the Company is pending or, to the Knowledge of the Shareholders or the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same.

Section 3.13 *Tax Returns and Audits.* The Company has timely filed all federal, state, local and foreign tax returns required to be filed by it or has paid or made provision for the payment of any penalty or interests arising from the late filing of any such return, has correctly reflected all taxes required to be shown thereon, and the Company has fully paid or made adequate provision for the payment of all taxes that have been incurred or are due and payable pursuant to such returns or pursuant to any assessment with respect to taxes in such jurisdictions, whether or not in connection with such returns. There are no circumstances or pending questions relating to Known potential tax liabilities nor claims asserted for taxes or assessments of the Company that, if adversely determined, could result in a tax liability arising out of any pre-Closing actions, omissions or other circumstances that may be assessed during any period prior to, including, or beginning after the Closing Date or on the Company's pre-Closing practices in computing or reporting taxes. To the Shareholders' or the Company's Knowledge, no federal income tax or information return for the Company is currently the subject of an audit

by the Internal Revenue Service. The Company has not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

Section 3.14 *Contracts.* (a) Schedule 3.14 lists all material contracts, agreements and other written arrangements to which the Company is a party, including, without limitation, the following:

(i) any written arrangement (or group of written arrangements) for the furnishing or receipt of services that calls for performance over a period of more than one (1) year;

(ii) any written arrangement concerning a partnership or joint venture;

(iii) any written arrangement (or group of written arrangements) under which the Company has created, incurred or assumed or may create, incur or assume indebtedness (including capitalized lease obligations) involving more than \$10,000 or under which it has imposed (or may impose) a security interest on any of its assets, tangible or intangible;

(iv) any employment agreement;

(v) any written arrangement concerning confidentiality or non-competition;

(vi) any written arrangement involving the Company and its present or former affiliates, officers, directors or shareholders;

(vii) any written arrangement under which the consequences of a default or termination could have a material adverse effect on the assets, liabilities, business, financial condition, operations or future prospects of the Company; or

(viii) any other written arrangement (or group of related arrangements) either involving more than \$10,000 or not entered into in the ordinary course of business.

(b) The Company is not a party to any verbal contract, agreement or other arrangement which, if reduced to written form, would be required to be listed in Schedule 3.14. The Shareholders have delivered to Buyer a correct and complete copy of each written arrangement, as amended to date, listed in Schedule 3.14. Each such contract, agreement and written arrangement is valid and enforceable in accordance with its terms, and no party is in default under any provision thereof.

Section 3.15 *Non-Solicitation Covenants.* The Company is not a party to any agreement that restricts its ability to compete in the insurance agency industry or solicit specific insurance accounts.

Section 3.16 *Insurance Policies.* Schedule 3.16 sets forth a complete and correct list of all insurance policies held by the Company with respect to its business, and true and complete copies of such policies have been delivered to Buyer. The Company has complied with all the provisions of such policies and the policies are in full force and effect.

Section 3.17 *Errors and Omissions.* The Company has not incurred any liability or taken or failed to take any action that may reasonably be expected to result in a liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance. All errors and omissions lawsuits and claims currently pending or threatened against the Company are set forth in Schedule 3.11. The Company has errors and omissions (E&O) insurance coverage in force, with minimum liability limits of \$2 million per claim and \$2 million aggregate, with a deductible of \$10,000 per claim and \$10,000 aggregate, and the Shareholders will provide to Buyer a certificate of insurance evidencing such coverage prior to or on the Closing Date. The Company has had the same or higher levels of coverage continuously in effect for at least the past five (5) years (or, if a period shorter than five (5) years, since the Company's inception).

Section 3.18 *Employees.* Except as disclosed in Schedule 3.14, all employees of the Company are employees at will, and the Company is not a party to any written contract of employment. None of the Company's employees is currently being treated for a major medical condition.

Section 3.19 *Employee Benefit Plans.* Schedule 3.19 lists each Employee Benefit Plan (as defined below) that the Company or any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (as defined below) (a "Company ERISA Affiliate") maintains or to which the Company or the Company ERISA Affiliate contributes.

(a) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all respects with the applicable requirements of ERISA, the Code, and other applicable laws. No such Employee Benefit Plan is under audit by the Internal Revenue Service or the Department of Labor.

(b) All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-1s, and summary plan descriptions) have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA and of Code Section 4980B have been met with respect to each such Employee Benefit Plan that is an "Employee Welfare Benefit Plan" as such term is defined in ERISA Section 3(1).

(c) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been paid to each such Employee Benefit Plan that is an "Employee Pension Benefit Plan" as such term is defined in ERISA Section 3(2), and all contributions for any period ending on or before the Closing Date that are not yet due have been paid to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Company.

All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(d) Each such Employee Benefit Plan that is an Employee Pension Benefit Plan meets the requirements of a "qualified plan" under Code Section 401(a) and has received, within the last two (2) years, a favorable determination letter from the Internal Revenue Service.

(e) The market value of assets under each such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any "Multiemployer Plan" as such term is defined in ERISA Section 3(37)) equals or exceeds the present value of all vested and nonvested liabilities thereunder determined in accordance with Pension Benefit Guaranty Corporation ("PBGC") methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(f) The Company has delivered to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements that implement each such Employee Benefit Plan.

(g) With respect to each Employee Benefit Plan that the Company or the Company ERISA Affiliate maintains or ever has maintained or to which it contributes, ever has contributed, or ever has been required to contribute:

(i) No such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a "Reportable Event" (as such term is defined in ERISA Section 4043) as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the Knowledge of the Shareholders or the Company, threatened.

(ii) There have been no "Prohibited Transactions" as defined in ERISA Section 406 and Code Section 4975 with respect to any such Employee Benefit Plan. No "Fiduciary" as defined in ERISA Section 3(21) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of the Shareholders or the Company, threatened. None of the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any Knowledge of any basis for any such action, suit, proceeding, hearing, or investigation.

(iii) The Company has not incurred, and none of the Company, the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any reason to expect that the Company shall incur, any liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability) or under the Code with respect to any such Employee Benefit Plan that is an Employee Pension Benefit Plan.

(iv) Neither the Company nor the Company ERISA Affiliate contributes to, nor has ever been required to contribute to, any Multiemployer Plan or has any liability (including withdrawal liability) under any Multiemployer Plan.

(v) Neither the Company nor the Company ERISA Affiliate maintains or contributes, nor has ever maintained or contributed, or has ever been required to contribute to any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Code Section 4980B).

As used in this Agreement, the term "Employee Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan or material fringe benefit plan or program.

Section 3.20 *Intellectual Property.*

(a) The Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property (as defined below) necessary or desirable for the operation of the businesses of the Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by the Company immediately prior to the Closing hereunder shall be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder. Each Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that it owns or uses.

(b) No Company has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and none of the Shareholders and the directors and officers (and employees with responsibility for Intellectual Property matters) of the Company has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the

Shareholders or the Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Company.

(c) No Company has any patents issued in its name, or patent applications filed or pending. Schedule 3.20(c) identifies each license, agreement, or other permission the Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). The Shareholders have delivered to Buyer correct and complete copies of all such registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Schedule 3.20(c) also identifies each trade name and registered or unregistered trademark or service mark used by the Company. With respect to each item of Intellectual Property required to be identified in Schedule 3.20(c):

(i) the Company possesses all right, title, and interest in and to the item, free and clear of any security interest, license, or other restriction;

(ii) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and

(iv) the Company has never agreed to indemnify any person or entity for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(d) Schedule 3.20(d) identifies each item of Intellectual Property that any third party owns and that the Company uses pursuant to license, sublicense, agreement, or permission. The Shareholders have delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Schedule 3.20(d):

(i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(ii) the license, sublicense, agreement, or permission shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article 2 above);

(iii) no party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred that with notice or default or permit termination, modification, or acceleration thereunder;

(iv) no party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(v) with respect to each sublicense, the representations and warranties set forth in clauses (i) through (iv) above are true and correct with respect to the underlying license;

(vi) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(vii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of the Shareholders or the Company, is threatened that challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(viii) Such Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(e) To the Knowledge of the Shareholders or the Company, no Company shall interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of the continued operation of its businesses as presently conducted and as presently proposed to be conducted.

As used in this Agreement the term "Intellectual Property" means (A) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (B) all trademarks, service marks, trade dress, logos, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (C) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (D) all mask works and all applications, registrations, and renewals in connection therewith, (E) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (F) all computer software (including data and related documentation), (G) all other proprietary rights, and (H) all copies and tangible embodiments thereof (in whatever form or medium).

Section 3.22 *Environment, Health, and Safety.*

(a) Each Company and its predecessors and affiliates have complied with all Environmental, Health, and Safety Laws (as defined below), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply. Without limiting the generality of the preceding sentence, each Company and its predecessors and affiliates has obtained and been in compliance with all of the terms and conditions of all permits, licenses, and other authorizations that are required under, and has complied with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables that are contained in, all Environmental, Health, and Safety Laws.

(b) The Company has no liability (and neither the Company or its predecessors and affiliates has handled or disposed of any substance, arranged for the disposal of any substance, exposed any employee or other individual to any substance or condition, or owned or operated any property or facility in any manner that could form the basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against the Company giving rise to any liability) for damage to any site, location, or body of water (surface or subsurface), for any illness of or personal injury to, any employee or other individual, or for any reason under any Environmental, Health, and Safety Law.

(c) All properties and equipment used in the business of each Company and its predecessors and affiliates have been free of asbestos, polychlorinated biphenyls (PCBs), methylene chloride, trichloroethylene, 1, 2-trans-dichloroethylene, dioxins, dibenzofurans, and Extremely Hazardous Substances (as defined below).

(d) As used in this Agreement, the term:

(i) "Environmental, Health, and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Occupational Safety and Health Act of 1970, each as amended, together with all other laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, public health and safety, or employee health and safety, including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes;

(ii) "Extremely Hazardous Substance" has the meaning set forth in Section 302 of the Emergency Planning and Community Right-to-Know Act of 1986, as amended; and

(iii) "Hazardous Materials" means any "toxic substance" as defined in 15 U.S.C. Section 2601 *et seq.* on the date hereof, including materials designated on the date hereof as "hazardous substances" under 42 U.S.C. Section 9601 *et seq.* or other applicable laws, and toxic, radioactive, caustic, or otherwise hazardous substances, including petroleum and its derivatives, asbestos, PCBs, formaldehyde, chlordane and heptachlor.

Section 3.22 Accounting Matters. To the Knowledge of the Shareholders or the Company, no "Affiliate" (as defined below) of the Company has, during a period of thirty (30) days prior to the date of this Agreement, sold, pledged, hypothecated, or otherwise transferred or encumbered any capital stock of the Company held by such Affiliate. For purposes of this Agreement, the term "Affiliate" means any officer, director, or owner of ten percent (10%) or more of the voting capital stock of the Company.

Section 3.23 Securities Law Representations. (a) The Shareholders were granted access to the business premises, offices, properties, and business, corporate and financial books and records of Buyer. The Shareholders were permitted to examine the foregoing records, to question officers of Buyer, and to make such other investigations as they considered appropriate to determine or verify the business and financial condition of Buyer. Buyer furnished to the Shareholders all information regarding its business and affairs that the Shareholders requested, including, without limitation, (i) Buyer's annual report on Form 10-K for the year ended December 31, 1999, (ii) Buyer's Annual Report to Shareholders for the year ended December 31, 1999, (iii) the Proxy Statement for Buyer's 2000 Annual Meeting of Shareholders, and (iv) Buyer's quarterly reports on Form 10-Q for the three (3) months ended March 31, June 30, and September 30, 2000, respectively.

(b) Each Shareholder recognizes that the Buyer Shares will, when issued, not be registered under the Securities Act of 1933, as amended (the "Securities Act") and will therefore, unless and until a registration statement with respect to the Buyer Shares is declared effective by the Securities and Exchange Commission (the "SEC"), constitute "restricted securities" as defined pursuant to Rule 144(a)(3) under the Securities Act under which means, among other things, that the Shareholders generally will not be able to sell the Buyer Shares for a period of at least one (1) year following the Closing Date, and may not be sold, offered for sale, transferred, pledged, hypothecated or otherwise disposed of except in compliance with the Securities Act, as such, by way of illustration but without limitation, in compliance the safe harbor provisions of Rule 144; further, the legal consequences of the foregoing mean that the Shareholder must bear the economic risk of the investment in the Buyer Share for an indefinite period of time; further, if the Shareholder desires to sell or transfer all or any part of the Buyer Shares, Buyer may require the Shareholder's counsel to provide a legal opinion that the transfer may be made without registration under the Securities Act; further, other restrictions discussed elsewhere herein may be applicable; further, the Shareholder is subject to the restriction on transfer described herein and Buyer will issue stop transfer orders with Buyer's transfer agent to enforce such restrictions; further, the Buyer Shares will bear a legend restricting transfer; and further, the following paragraph, or language substantially equivalent thereto, will be inserted in or stamped on the certificates evidencing the same:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SHARES HAVE BEEN ACQUIRED FOR INVESTMENT. THIS STOCK MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THE SAME UNDER THE SECURITIES ACT OF 1933 OR OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE SECURITIES LAWS.

(c) Because of their considerable knowledge and experience in financial and business matters, each of the Shareholders is able to evaluate the merits, risks, and other factors bearing on the suitability of the Buyer Shares as an investment. Each of the Shareholders, individually or by virtue of a "purchaser representative" (as defined pursuant to Rule 501(h) under the Securities Act), qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act .

(d) Each Shareholder's annual income and net worth are such that he or she would not now be, and does not contemplate being, required to dispose of any investment in the Buyer Shares, including the risk of losing all or any part of his investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Buyer Shares for an indefinite period.

(e) The Shareholder's acquisition of the Buyer Shares will be solely for his own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Section 3.24 *No Misrepresentations.* None of the representations and warranties of the Shareholders set forth in this Agreement or in the attached Schedules, notwithstanding any investigation thereof by Buyer, contains any untrue statement of a material fact, or omits the statement of any material fact necessary to render the statements made not misleading.

Article 4

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders as follows:

Section 4.1 *Organization.* Buyer is a corporation organized under the laws of Florida and its status is active. Buyer has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect.

Section 4.2 *Authority.* Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles.

Section 4.3 *Consents and Approvals; No Violations.* Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of Buyer, (b) require any filing with, or permit authorization, consent, or approval of, any Governmental Entity, except where the failure to obtain such permits, authorizations, consents, or approvals or to make such filings would not have a material adverse effect, (c) result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which Buyer is a party or by which Buyer or its properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect.

Section 4.4 *SEC Reports and Financial Statements.* Buyer has filed with the SEC, and has heretofore made available to the Shareholders true and complete copies of all forms, reports, schedules, statements and other documents required to be filed by it since December 31, 1999 under the Securities Exchange Act of 1934 (the "Exchange Act") or the Securities Act (as such documents have been amended since the time of their filing, collectively, the "Buyer SEC Documents"). The Buyer SEC Documents, including without limitation any financial statements and schedules included therein, at the time filed, (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, and the applicable rules and regulations of the SEC thereunder. The financial statements

of Buyer included in the Buyer SEC Documents comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited statements, to normal, recurring audit adjustments) the consolidated financial position of Buyer and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended.

Section 4.5 *Absence of Certain Changes.* Except as disclosed in the Buyer SEC Documents, since December 31, 1999, there have been no events, changes or events having, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.6 *No Undisclosed Liabilities.* Except as and to the extent set forth in Buyer's Quarterly Report on Form 10-Q for the period ended September 30, 2000, as of September 30, 2000, Buyer had no liabilities or obligations, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of Buyer and its subsidiaries. Since September 30, 2000, Buyer has not incurred any liabilities, whether or not accrued, contingent or otherwise, outside the ordinary course of business or that would have, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.7 *Litigation.* Except as disclosed in the Buyer SEC Documents filed prior to the date of this Agreement, there is no suit, claim, action, proceeding or investigation pending or, to the best Knowledge of Buyer, threatened against Buyer or any of its subsidiaries before any Governmental Entity that, individually or in the aggregate, is reasonably likely to have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated by this Agreement. Except as disclosed in the Buyer SEC Documents, neither Buyer nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated hereby.

Section 4.8 *Accounting Matters.* To the best Knowledge of Buyer, neither Buyer nor any of its affiliates has through the date of this Agreement taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by the Company or any of its affiliates) would prevent the parties from accounting for the transaction to be effected by this Agreement as a pooling of interests.

Section 4.9 *Errors and Omissions.* Buyer has not incurred any material liability or taken or failed to take any action that may reasonably be expected to result in a material liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance and those disclosed in the Buyer SEC Documents. Buyer has errors and omission (E&O) insurance coverage in force, with minimum liability limits of \$35,000,000.00 per occurrence and \$35,000,000.00 aggregate, with a deductible of \$250,000.00.

Section 4.10 *Securities Law Representations.* (a) Buyer was granted access to the business premises, offices, properties, and business, corporate and financial books and records of the Company. Buyer was permitted to examine the foregoing records, to question officers of the Company, and to make such other investigations as it considered appropriate to determine or verify the business and financial condition of the Company. The Shareholders furnished to Buyer all information regarding the business and affairs of the Company that Buyer requested.

(b) Because of its considerable knowledge and experience in financial and business matters, Buyer is able to evaluate the merits, risks, and other factors bearing on the suitability of the Company Shares as an investment. Buyer qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act.

(c) Buyer's annual income and net worth are such that it would not now be, and does not contemplate being, required to dispose of any investment in the Company Shares, including the risk of losing all or any part of its investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Company Shares for an indefinite period. Buyer recognizes that the Company Shares will not be registered under the Securities Act of 1933 and will therefore constitute "restricted securities," which means, among other things, that Buyer generally will not be able to sell the Company Shares for a period of at least one (1) year following the Closing Date.

(d) Buyer's acquisition of the Company Shares will be solely for its own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Article 5

[INTENTIONALLY OMITTED]

Article 6

Additional Agreements

Section 6.1 *Access to Information.* Upon reasonable notice, the Shareholders shall cause the Company to afford to the officers, employees, accountants, counsel, and other authorized representatives of Buyer full access, during the period prior to the Closing Date, to all of the properties, books, contracts, commitments, records, and senior management of the

Company. Unless otherwise required by law, Buyer will hold any such information that is nonpublic in confidence, will not use such information in its business if the transaction does not close, and will promptly return such information if the transaction does not close. After the Closing, upon reasonable notice, Buyer shall cause the Company to afford to the Shareholders and their accountants, counsel and other authorized representatives of the Shareholders reasonable access to the properties, books, contracts, commitments, and records of the Company. Unless otherwise required by law or if necessary to do so in connection with any legal proceeding, or if required by any government or governmental agency or authority, the Shareholders will hold any such information that is nonpublic in confidence; provided, however, that nothing in this Section 6.1 shall be deemed or construed to impair or otherwise limit those covenants set forth in Section 6.13 hereof.

Section 6.2 Expenses. Whether or not the transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by Buyer, for itself, or the Company, on behalf of the Shareholders, for such incurred expenses.

Section 6.3 Brokers or Finders. Each of the parties represents, as to itself, its subsidiaries and its affiliates, that no agent, broker, investment banker, financial advisor, or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, and each of the parties agrees to indemnify and hold the others harmless from and against any and all claims, liabilities, or obligations with respect to any fees, commissions, or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate.

Section 6.4 Additional Agreements; Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties agrees to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including cooperating fully with the other parties.

Section 6.5 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Company (as such term is defined in Section 3.22 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.5 Non-Competition Covenants. Each of the Shareholders agrees that he or she shall not, directly or indirectly, for a period of two (2) years beginning on the Closing Date, engage in, or be or become the owner of an equity interest in, or otherwise consult with, be employed by, or participate in the business of, any entity (other than Buyer or the Company) engaged in the insurance agency business within the following Louisiana parishes: Acadia, Iberia, Lafayette, Lincoln, Saint Landry, Saint Martin, or Vermilion. The Shareholders acknowledge that the confidentiality and non-solicitation covenants to be contained in any employment agreements they may enter into with Buyer will be in addition to, and will not supersede or be subordinate to, the non-competition covenants contained in this Section 6.5. Notwithstanding anything in this Section 6.5, (a) the servicing by Dale F. Huval of any insurance or bond business of any kind for those accounts or customers of Huval Richard Insurance Agency, Inc. set forth in Schedule 3.9(a)-(2) (the "Richard Accounts") or (b) any indirect remuneration by Thomas K. Huval or Kathryn H. Pontiff in connection with the Richard Accounts, shall not be deemed a breach of this Section 6.5.

Section 6.6 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Companies (as such term is defined in Section 3.23 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.7 Remedy for Breach of Covenants. In the event of a breach of the provisions of Section 6.5 or 6.6, Buyer and the Company shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of competent jurisdiction declare the covenants set forth in Section 6.5 or 6.6 unenforceable due to a unreasonable restriction, duration, geographical area or otherwise, the parties agree that such court shall be empowered and shall grant Buyer, the Company and their affiliates injunctive relief to the extent reasonably necessary to protect their respective interests. The Shareholders acknowledge that the covenants set forth in Sections 6.5 and 6.6 represent an important element of the value of the Company Shares and were a material inducement for Buyer to enter into this Agreement.

Section 6.8 Errors and Omissions Tail Coverage. On or prior to the Closing Date, the Shareholders shall cause the Company to purchase, at the Company's expense, a tail coverage extension on each Company's errors and omissions insurance policy. Such coverage shall extend for a period of at least three (3) years from the Closing Date, shall have the same coverages and deductibles currently in effect, and shall otherwise be in form reasonably acceptable to Buyer. A certificate of insurance evidencing such coverage shall be delivered to Buyer at or prior to Closing.

Section 6.9 Release. The Shareholders each agree on the Closing Date to execute and deliver the Release.

Section 6.10 Pledge Agreement. The parties agree on the Closing Date to enter into the Pledge Agreement.

Section 6.11 *Shareholder Employment Agreements.* Buyer and each of the Shareholders agree on the Closing Date to enter into the respective Shareholder Employment Agreements.

Section 6.12 *Confidentiality.* The parties agree to maintain the existence of this transaction and the terms hereof in confidence, until the earliest of the following circumstances occurs: (a) the parties mutually agree to release such information to the public; (b) Buyer or the Shareholders reasonably concludes that such disclosure is required by law; or (c) the Closing has occurred and ownership of the Company Shares has passed to Buyer.

Section 6.13 *Preparation of Tax Return.* The Shareholders recognize that a year-to-date income tax return must be prepared and filed for each Company as a result of this transaction and that the Shareholders are primarily responsible for causing the preparation of this return; provided, however, that Buyer shall cause the Company to provide the Shareholders and their authorized representatives with reasonable access to the Company's books and records in order to prepare such return. The Shareholders therefore agree to cause the preparation of these returns in accordance with federal filing requirements, at the Company's expense, and deliver them to the Company in advance to review and file. Buyer and the Company shall be solely responsible for any changes they make to the returns prepared by the Shareholders.

Section 6.14 *Removal of Restrictive Legend.* Upon the Shareholders' written request, at the expiration of the applicable waiting period under Rule 144 (or if and when successfully registered for resale with the SEC), Buyer shall instruct its transfer agent to remove any restrictive legends on those certificates issued to the Shareholders evidencing the Buyer Shares.

Section 6.15 *Release of Personal Guarantees.* As of Closing, the Shareholders shall be deemed to be released from any personal guarantees made by such Shareholders with respect to any obligation of the Company. Buyer shall cooperate to have such Shareholders released by the Company's creditors from any such personal guarantees and shall indemnify such Shareholders from any Adverse Consequences (as defined in Section 8.2 hereof) arising from such personal guarantees, provided that such Adverse Consequences do not arise as a result of any default prior to the Closing Date by any such Shareholder under such personal guarantee.

Section 6.16 *Release of Security Interests.* On the Closing Date, the Shareholders shall deliver "payoff letters" from each Company's respective creditors, identifying the amount that must be paid to satisfy the Company's obligations to such creditor as of the Closing Date, and shall cause the Company to pay, with funds provided by Buyer, such amounts in full on the Closing Date. The Shareholders shall cooperate in obtaining releases from the Company's secured creditors of their respective security interests promptly after Closing including, without limitation, causing its secured creditors to execute and file a UCC-3 financing statement in connection with its security interest described in Section 3.9(a).

Article 7

Conditions

Section 7.1 *Conditions to Each Party's Obligation.* The respective obligations of each party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction prior to or on the Closing Date of the following conditions:

(a) ***Approvals.*** All authorizations, consents, orders, or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure to obtain which would have a material adverse effect on the Company, shall have been filed, occurred, or been obtained.

(b) ***No Injunctions or Restraints.*** No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction shall be in effect.

Section 7.2 *Conditions to Obligations of Buyer.* The obligation of Buyer to effect the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions, unless waived by Buyer:

(a) ***Representations and Warranties.*** The representations and warranties of the Shareholders set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) ***Performance of Obligations by the Shareholders.*** The Shareholders shall have performed all obligations required to be performed by them under this Agreement at or prior to the Closing Date.

(c) ***Employment Agreements.*** Each employee of the Company that Buyer intends to retain shall have executed and delivered to Buyer a copy of Buyer's standard employment agreement, which contains confidentiality and non-solicitation provisions.

(d) ***Due Diligence.*** Buyer shall be satisfied, in its sole discretion, with the results of its due diligence investigation of the Company including, without limitation, Buyer's real estate and environmental due diligence with respect to the Real Property.

(e) ***Opinion of the Shareholders' Counsel.*** The Shareholders shall have delivered to Buyer a written opinion of counsel dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(a)(iv) with only such changes therein as shall

be in form and substance reasonably satisfactory to Buyer.

(f) *Pledge Agreement.* The Shareholders shall have executed and delivered to Buyer the Pledge Agreement, along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares.

(g) *Release.* Each Shareholder shall have executed and delivered to Buyer the Release.

(h) *Adverse Changes.* There shall have been no material adverse change to the business or financial condition of the Company since the Balance Sheet Date.

(i) *Board Approval.* Buyer's Board of Directors shall have approved this transaction and the issuance of the Buyer Shares to the Shareholders.

(j) *Tangible Net Worth.* Buyer shall be satisfied that the Company, on a consolidated basis, have Tangible Net Worth (as defined herein) as of the Closing Date of at least ten percent (10%) of the Company's consolidated Core Revenue for the twelve (12) month period ended July 31, 2000. For purposes of this Agreement, the term "Tangible Net Worth" shall be calculated as agreed between Buyer and the Shareholders, as set forth in Schedule 7.2(j).

(k) *Appointment by Insurance Carriers.* Buyer shall be satisfied that those insurance carriers of the Company that Buyer wishes to appoint Buyer as their agent are willing to do so as of the Closing Date.

(l) *Termination of Employee Benefit Plans.* Buyer shall be satisfied that each Company has properly terminated all of its Employee Benefit Plans (except for its Employee Welfare Benefit Plans), effective prior to the Closing Date.

(m) *Termination of Liens and Encumbrances.* Buyer shall be satisfied that all liens or other encumbrances on any of the Company Shares and the assets of the Company have been satisfied and released prior to Closing.

(n) *Accounting and Tax Treatment; Securities Exemption.* Buyer shall be satisfied that its acquisition of the Company Shares and related issuance of the Buyer Shares shall qualify (i) for treatment for accounting purposes as a pooling-of-interests transaction and (ii) for an exemption from registration under federal and state securities laws.

(o) *Spousal Consents.* Pursuant to Louisiana community property law, Buyer shall have received executed written consents to this Agreement and the transactions contemplated herein from the respective spouses of the Shareholders.

(p) *Payoff of Company Debt.* The Shareholders shall have delivered to Buyer "payoff" letters from the Company's creditors, and Buyer shall be satisfied that the obligation amounts set forth in such payoff letters have been paid in full by the Company.

(q) *Waiver of Rights of First Refusal.* The Shareholders shall have delivered to Buyer evidence satisfactory to Buyer in its sole discretion that any right of first refusal in favor of the Shareholders and/or any of the Company in connection with the sale of the Company's stock, whether pursuant to the Company's Articles of Incorporation or otherwise, have been waived by the Shareholders and/or the Company, as the case may be.

Section 7.3 Conditions to Obligation of the Shareholders. The obligations of the Shareholders to effect the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, unless waived by the Shareholders:

(a) *Representations and Warranties.* The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) *Performance of Obligations by Buyer.* Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) *Opinion of Buyer's Counsel.* Buyer's Assistant General Counsel shall have delivered to the Shareholders a written opinion dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to the Shareholders.

Article 8

Indemnification

Section 8.1 Survival of Representations, Warranties, Indemnities and Covenants. The representations, warranties and indemnities set forth in this Agreement and any right to bring an action at law, in equity, or otherwise for any misrepresentation or breach of warranty under this Agreement shall survive for a period of one (1) year from the Closing Date. All post-closing covenants shall survive the Closing for the period specified in this Agreement or, if not specified, for a period of one (1) year following the Closing Date.

Section 8.2 Indemnification Provisions for the Benefit of Buyer. Subject to Section 8.4, the Shareholders, jointly and severally, agree to indemnify and hold Buyer, the Company and its officers, directors and affiliates harmless from and

against (a) any amount of those accounts receivable of the Company aged as of the Closing Date over fifty-nine (59) days (the "Aged Accounts Receivable") which remain uncollected as of the one-year anniversary of the Closing Date, net of any reasonable reserve for bad debts, and (b) any and all Adverse Consequences (as defined below) any of such parties may suffer or incur resulting from, arising out of, relating to, or caused by (i) the material breach of any of the Shareholders' representations, warranties, obligations or covenants contained herein, or (ii) the operation of the Company's insurance agency business or ownership of the Company Shares by the Shareholders on or prior to the Closing Date, including, without limitation, any claims or lawsuits based on conduct of the Shareholders, the Company, or its officers, directors or affiliates, occurring before the Closing. For purposes of this Article 8, the phrase "Adverse Consequences" means all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations, injunctions, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), obligations, taxes, liens, losses, expenses, and fees, including all attorneys' fees and court costs.

Section 8.3 *Indemnification Provisions for the Benefit of the Shareholders.* Subject to Section 8.4, Buyer agrees to indemnify and hold the Shareholders harmless from and against any and all Adverse Consequences the Shareholders may suffer or incur resulting from, arising out of, relating to, or caused by (a) the material breach of any of Buyer's representations, warranties, obligations or covenants contained herein, or (b) the operation of the insurance agency business of the Company or ownership of the Company Shares by Buyer after the Closing Date, including, without limitation, any claims or lawsuits based on conduct of Buyer, the Company or its officers, directors or affiliates, occurring after the Closing.

Section 8.4 *Maximum Indemnification Amount; Materiality Threshold.* (a) Notwithstanding anything in this Article 8 to the contrary, no party (the Shareholders being considered one party for purposes of this Section 8.4) shall be liable for any otherwise indemnifiable obligations under this Article 8 to the extent such obligations in the aggregate exceed the Purchase Price.

(b) No party (the Shareholders collectively being considered one party for purposes of this Section 8.4) shall be entitled to indemnification hereunder with respect to any claim or claims unless and until the aggregate amount of the indemnified claim or claims exceeds \$28,200.00. Once such party's claims exceed \$28,200.00 in the aggregate, such party shall be entitled to be indemnified for the full amount of its claims to the extent such claims exceed such \$28,200.00 aggregate amount.

Article 9

[INTENTIONALLY OMITTED]

Article 10

Miscellaneous

Section 10.1 *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (if confirmed), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses or at such other address for a party as shall be specified by like notice:

(a) If to Buyer, to

Brown & Brown, Inc.

401 E. Jackson Street, Suite 1700

Tampa, Florida 33602

Telecopy No.: (813) 222-4464

Attn: Laurel L. Grammig, Esq.

(b) if to the Shareholders, to

Tommy Huval

102 Asma Boulevard

Lafayette, Louisiana 70508

Telecopy No.: (337) 234-5175

with a copy to

Breazeale, Sachse & Wilson, L.L.P.
Twenty-Third Floor, One American Place
Baton Rouge, Louisiana 70821

Section 10.2 Use of Term "Knowledge". With respect to the term "Knowledge" or "Known" as used herein: (a) an individual will be deemed to have "Knowledge" of a particular fact or other matter (or such fact or matter will be deemed "Known" if (i) such individual is actually aware of such fact or other matter, or (b) a prudent individual could be expected to discover or otherwise become of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter; and (b) a corporation will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving, who has at any time in the twelve (12) months prior to the Closing Date served, as a director, officer, employee, executor, or trustee (or in any similar capacity) of such corporation has, or at any time had, Knowledge of such fact or other matter.

Section 10.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.4 Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 10.5 Assignment. Except as contemplated in Section 6.8 hereof, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 10.6 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 10.7 Joint Efforts. This Agreement is the result of the joint efforts and negotiations of the parties hereto, with each party being represented, or having the opportunity to be represented, by legal counsel of its own choice, and no singular party is the author or drafter of the provisions hereof. Each of the parties assumes joint responsibility for the form and composition of this Agreement and each party agrees that this Agreement shall be interpreted as though each of the parties participated equally in the composition of this Agreement and each and every provision and part hereof. The parties agree that the rule of judicial interpretation to the effect that any ambiguity or uncertainty contained in an agreement is to be construed against the party that drafted the agreement shall not be applied in the event of any disagreement or dispute arising out of this Agreement.

Section 10.8 Headings. All paragraph headings herein are inserted for convenience of reference only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

Section 10.9 Severability. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be illegal, invalid or unenforceable, either in whole or in part, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or covenants, or any part thereof, all of which shall remain in full force and effect.

Section 10.10 Attorneys' Fees. The prevailing party in any proceeding brought to enforce the provisions of this Agreement shall be entitled to an award of reasonable attorneys' fees and costs incurred at both the trial and appellate levels incurred in enforcing its rights hereunder.

Section 10.11 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, the parties have signed or caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

BUYER:

BROWN & BROWN, INC.

By: /S/ THOMAS M. DONEGAN, JR.

Name: Thomas M. Donegan, Jr.

Title: Vice President

SHAREHOLDERS:

/S/ THOMAS K. HUVAL

Thomas K. Huval, individually

/S/ KATHRYN H. PONTIFF

Kathryn H. Pontiff, individually

/S/ DALE F. HUVAL

Dale F. Huval, individually

/S/ MARK W. GAGNARD

Mark W. Gagnard, individually

/S/ DENNY R. BASS

Denny R. Bass, individually

SCHEDULES AND EXHIBITS

Schedule 3.3: Capitalization

Schedule 3.11: Litigation and Claims

Schedule 3.14: Material Contracts

Schedule 3.16: Insurance Policies

Schedule 3.19: Employee Benefit Plans

Schedule 3.20(c): Owned Intellectual Property

Schedule 3.20(d): Licensed Intellectual Property

Schedule 7.2(j): Tangible Net Worth

Exhibit 2.2(a)(iii): Pledge Agreement

Exhibit 2.2(a)(ii): Release

Exhibit 2.2(a)(iv): Opinion of the Shareholders' Counsel

Exhibit 2.2(a)(v): Shareholder Employment Agreement

Exhibit 2.2(b)(ii): Opinion of Buyer's Counsel

REGISTRATION RIGHTS PROVISIONS

Section 1. *Definitions.* As used in this Addendum, the following terms have the meanings specified below and include the plural as well as the singular:

"*Common Stock*" means the Company's common stock, par value \$0.10 per share.

"*Company*" means Brown & Brown, Inc., a Florida corporation.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"*Governmental Authority*" means any nation or government, any state or other political subdivision thereof and any court, panel, judge, board, bureau, commission, agency or other entity, body or other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*NASD*" means the National Association of Securities Dealers, Inc.

"*Person*" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"*Prospectus*" means the prospectus included in any Registration Statement at the time the same becomes effective, as amended or supplemented by any prospectus supplement, including post-effective amendments and all material incorporated by reference in the prospectus.

"*Registrable Shares*" means the Sellers' Registrable Shares. All such securities shall cease to be Registrable Shares when they (i) have been distributed to the public pursuant to an offering registered under the Securities Act, (ii) become eligible to be sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force), or (iii) are sold by Sellers.

"*Registration Expenses*" means all expenses incident to the Company's performance of or compliance with this Addendum, including, without limitation, all SEC and stock exchange or NASD registration and filing fees and expenses, fees and expenses of compliance with securities or blue sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares), printing expenses, messenger and delivery expenses, the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange or national market system on which similar securities issued by the Company are then listed, fees and disbursements of counsel for the Company and all independent certified public accountants (including the expenses of any annual audit, special audit, if necessary, and "cold comfort" letters required by or incident to such performance and compliance and the fees and expenses of any special experts retained by the Company); however, the Company shall not be responsible for any underwriting discounts or commissions, fees and expenses of counsel to Sellers or transfer taxes, if any, attributable to the sale of Sellers' Registrable Shares.

"*Registration Statement*" means any registration statement of the Company that covers any of the Registrable Shares pursuant to the provisions of this Addendum, including all pre-effective amendments and post-effective amendments thereto, the Prospectus and supplements thereto, all exhibits, and all materials incorporated by reference in the Registration Statement.

"*SEC*" means the Securities and Exchange Commission or any successor thereof.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"*Seller Representative*" means Thomas K. Huval, or any other person designated in a writing signed by the Sellers and delivered to the Company in accordance with the notice provisions of the Stock Purchase Agreement, to act as their representative under this Addendum.

"*Sellers*" means the parties identified as "Shareholders" in the Stock Purchase Agreement.

"*Stock Purchase Agreement*" means the stock purchase agreement to which this Addendum is attached.

"*Sellers' Registrable Shares*" means all Common Stock issued to Sellers pursuant to the terms of the Stock Purchase Agreement and all Common Stock issued with respect to such Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, reorganization or otherwise.

Section 2. *Registration Rights.*

(a) The Company shall prepare and file a Registration Statement on or before March 31, 2001, providing for the sale of the Registrable Shares by the Sellers pursuant to Rule 415 of the Securities Act or any similar rule that may be adopted by the SEC; however, none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares: (i) before the date on which financial results covering at least thirty (30) days of post-Closing Date (as defined in the Stock Purchase Agreement) combined operations of the Company and Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc., Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated, each a Louisiana corporation, along with any subsidiaries thereof, have been published by the Company except as otherwise permitted by the Stock Purchase Agreement; (ii) if such sale, transfer, pledge or disposition would prevent the stock purchase pursuant to the Stock Purchase Agreement from being accounted for as a pooling-of-interests; or (iii) while such Registration Statement remains effective, during a period beginning fifteen (15) days before the end of each of the Company's fiscal quarters and ending on the second (2nd) business day following the next release by the Company to the public of quarterly or annual earnings. The Registration Statement may include other securities of the Company designated by the Company and may include securities of the Company being sold for the account of the Company or others.

(b) The provisions of this Section 2 will be subject to the following conditions:

(i) If at any time after the Company files a Registration Statement hereunder the Company decides to make a public offering of securities through one or more underwriters, and an underwriter selected by the Company to manage such proposed underwriting advises the Company that it believes that such underwritten offering could be adversely affected by the concurrent registered offering of Registrable Shares pursuant hereto, then the Company may delay or suspend the filing or effectiveness of such Registration Statement for no more than one hundred eighty (180) days and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares.

(ii) If the Company, in its sole discretion, determines that the filing, maintenance of the effectiveness thereof or the fulfillment of any obligation it has hereunder to update, amend or supplement a Registration Statement would be detrimental to the Company, the Company shall have the right to defer the filing of a Registration Statement hereunder or delay or suspend the effectiveness thereof or suspend or delay fulfilling any obligation it has hereunder to update, amend or supplement a Registration Statement for the period for which such act would be detrimental, and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares; provided, however, that such period may not exceed more than forty-five (45) days.

Section 3. Expenses. The Company will pay all Registration Expenses in connection with the registration pursuant to Section 2 of this Addendum, whether or not such registration becomes effective under the Securities Act. Notwithstanding the foregoing, Sellers shall pay all underwriting discounts and commissions, fees and expenses of counsel to the Sellers, and transfer taxes incurred in connection with any registration pursuant to Section 2.

Section 4. Registration Procedures.

(a) With respect to a registration pursuant to Section 2 of this Addendum, the Company, subject to subsection 2(b) above, will use reasonable efforts to promptly effect the registration of the Registrable Shares, and in connection therewith, the Company shall do the following:

(i) prepare and file with the SEC a Registration Statement on or before March 31, 2001, and use reasonable efforts to cause such Registration Statement to become effective;

(ii) prepare and file with the SEC such amendments and post-effective amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continually effective for a period expiring on the earlier of (A) the date there are no longer shares of Common Stock outstanding that constitute Registrable Shares or (B) one (1) year from the Closing Date (as defined in the Stock Purchase Agreement);

(iii) promptly notify Sellers, at any time when a Prospectus relating to Sellers' Registrable Shares covered by the Registration Statement is required to be delivered under the Securities Act, of the occurrence of any event as a result of which the Registration Statement or the Prospectus or any document incorporated therein contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, and the Company shall promptly prepare and file with the SEC and furnish to Sellers a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the Sellers' Registrable Shares, such Prospectus shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) use reasonable efforts to register or qualify the Registrable Shares covered by the Registration Statement for offer and sale under the securities or "blue sky" laws of each state and other U.S. jurisdiction as Sellers reasonably request in writing; however, the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to so qualify, (B) take any action that would subject it to general service of process in any jurisdiction where it would not otherwise be subject to such general service of process, or (C) subject itself to general taxation in any jurisdiction where it would not otherwise be subject; and

(v) use reasonable efforts to cause all Registrable Shares included in such Registration Statement to be listed on the New York Stock Exchange (or any other market on which the Common Stock is then listed).

(b) Sellers, upon receipt of any notice from the Company of the occurrence of any event of the kind described in clause (iii) of subsection 4(a) above, will forthwith discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares until Seller's receipt of the copies of the supplemented or amended Prospectus contemplated by such subsection 4(a) and, if so directed by the Company, Sellers will deliver to the Company all copies, other than permanent file copies then in Sellers' possession, of the most recent Prospectus covering such Sellers' Registrable Shares at the time of receipt of such notice. Seller, upon receipt of any notice from the Company of the issuance of any stop order or blue sky order will forthwith, in the case of any stop order, discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares or, in the case of any blue sky order, discontinue disposition of the Sellers' Registrable Shares in the applicable jurisdiction, until advised in writing of the lifting or withdrawal of such order.

Section 5. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify and hold harmless Sellers, against any and all losses, claims, damages or liabilities, joint or several, and expenses to which any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (i) any materially untrue statement or alleged untrue statement of any material fact contained in any Registration Statement or Prospectus, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; however, the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense (x) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of Sellers specifically for use in the Registration Statement or Prospectus, or (y) results from the fact that a Seller sold Registrable Shares to a Person to whom there was not sent or given, at or before the written confirmation of such sale, a copy of the Prospectus, if the Company had previously made available to such Seller copies thereof and such Prospectus, as then amended or supplemented, corrected such misstatement or omission, or (z) results from a Seller breaching one or more of its obligations hereunder.

(b) *Indemnification by Sellers.* Sellers will indemnify and hold harmless (in the same manner and to the same extent as set forth in subsection 5(a), including, without limitation, clauses (y) and (z) of the proviso set forth therein) the Company and its directors, officers and controlling persons, each other party registering securities under a Registration Statement and each underwriter, dealer manager or similar securities industry professional participating in the distribution of Seller's Registrable Shares and such securities industry professional's respective directors, officers, partners and controlling persons and any other party offering securities under such Registration Statement, (i) with respect to any statement or alleged statement in or omission or alleged omission from such Registration Statement or Prospectus if such statement or alleged statement or omission or alleged omission was made in reliance upon information furnished to the Company by or on behalf of Sellers for use in such Registration Statement or Prospectus, (ii) results from the fact that Sellers sold Sellers' Registrable Shares to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus if the Company had previously furnished copies thereof to Sellers and such Prospectus, as then amended or supplemented, corrected such misstatements or omission, or (iii) results from such Seller breaching one or more of its obligations hereunder. Sellers will reimburse the indemnified parties for any legal or other costs or expenses incurred in connection with defending any such loss, claim, damage, liability, action or proceeding.

(c) *Notice of Claims, etc.* Promptly after receipt by an indemnified party under subsection 5(a) or (b) of notice of any claim or the commencement of any action or proceeding subject to indemnification thereunder, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under either of such subsections, promptly notify the indemnifying party in writing of the claim or the commencement of the action or proceeding; provided that the failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party under subsection 5(a) or (b) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice. If any such claim, action or proceeding shall be brought against an indemnified party, and it shall timely notify the indemnifying party, the indemnifying party shall be entitled to participate in, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim, action or proceeding, the indemnifying party shall not be liable to the indemnified party under, subsection 5(a) or (b) for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; however, such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim, action or proceeding or has failed to employ counsel reasonably satisfactory to such indemnified party in any such claim, action or proceeding, or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such indemnified party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party that are inconsistent or in conflict with those available to the indemnifying party (in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action or proceeding on behalf of such indemnified party), it being understood, however, that the indemnifying party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for such indemnified party and any other indemnified parties similarly situated, which firm shall be designated in writing by such indemnified parties. The indemnifying party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the indemnifying party agrees to indemnify and hold harmless such indemnified parties from and against any loss or liability by reason of such settlement or judgment.

(d) *Contribution.* If the indemnification provided for in subsection 5(a) or (b) is unavailable or insufficient to hold harmless an indemnified party, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in subsection 5(a) or (b), (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and Sellers on the other hand from the sale of the Sellers' Registrable Shares, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and Sellers on the other hand in connection with statements or omissions that resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and Sellers on the other hand shall be deemed to be in the same proportion as the total net proceeds from the issuance and sale of such Registrable Shares (before deducting expenses) received by the Company bear to the total compensation or profit (before deducting expenses) received or realized by Sellers of Sellers' Registrable Shares from the resale of such Registrable Shares. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Sellers of Sellers' Registrable Shares and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and Sellers agree that it would not be just and equitable if contributions pursuant to this subsection 5(d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection 5(d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in the first sentence of this subsection 5(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any claim, action or proceeding (which shall be limited as provided in subsection 5(c) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof) that is the subject of this subsection 5(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding against such party in respect of which a claim for contribution may be made against an indemnifying party under this subsection 5(d), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in subsection 5(c) above has not been given with respect to such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party under this subsection 5(d) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice.

Section 6. *Miscellaneous.*

(a) *Amendments and Waivers.* No waiver, amendment, modification or supplement of any provision of this Addendum, including this subsection 6(a), shall be valid unless it is approved in writing by the Company and the Sellers' Representative.

(b) *Assignment.* Sellers shall not be entitled to assign or transfer any or all of their rights under this Addendum, whether by operation of law or otherwise.

(c) *Termination.* The provisions of this Addendum will terminate with respect to a Seller's Registrable Shares, other than the provisions of Section 5 hereof, which will survive any such termination, as to a Seller when he or she ceases to own Registrable Shares.

STOCK ACQUISITION AGREEMENT

This STOCK ACQUISITION AGREEMENT, dated as of January 13, 2001 (this "Agreement"), is made and entered into by and among BROWN & Brown, Inc., a Florida corporation ("Buyer"), and THOMAS K. HUVAL, a resident of the State of Louisiana, KATHRYN H. PONTIFF, a resident of the State of Louisiana, DALE F. HUVAL, a resident of the State of Louisiana, MARK W. GAGNARD, a resident of the State of Louisiana, and GLENN P. LANDRY, a resident of the State of Louisiana (each a "Shareholder" and collectively, the "Shareholders").

Background

The Shareholders own all of the outstanding capital stock of Cost Management Services, Inc., a Louisiana corporation (the "Company"). The Company is engaged primarily in the insurance agency business in Lafayette, Louisiana. The Shareholders wish to transfer all of the outstanding shares of each of the Company to Buyer, and Buyer desires to acquire such shares, upon the terms and conditions expressed in this Agreement. It is the intent of the parties that this transaction qualify for accounting purposes as a pooling-of-interests transaction and as a tax-free exchange under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

THEREFORE, in consideration of the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follow:

Article 1

The Acquisition

Section 1.1 *Acquisition and Transfer of Shares.* On and subject to the terms and conditions of this Agreement, Buyer agrees to acquire all of the issued and outstanding shares of capital stock of the Company, as more fully set forth in Schedule 3.3 (collectively, the "Company Shares"), from the Shareholders and the Shareholders agree to transfer all of the Company Shares to Buyer, free and clear of all liens and encumbrances. The Company Shares shall be transferred to Buyer for the consideration specified in Section 1.2.

Section 1.2 *Consideration.* The consideration for the Company Shares shall be the issuance of shares of common stock of Buyer to the Shareholders. The number of shares of common stock of Buyer to be issued to the Shareholders shall be 37,326 (the "Buyer Shares"), which is an amount, rounded to the nearest whole number, equal to (a) \$1,243,111.59 (the "Purchase Price"), divided by (b) \$33.3042 (the "Average Price").

Section 1.3 *Delivery of Buyer Shares.* (a) The Buyer Shares shall be issued to the Shareholders as follows:

(i) ten percent (10%) of the Buyer Shares shall be pledged to Buyer as partial security for the indemnification obligations of the Shareholders under Article 8 hereof (the "Pledged Shares"). These Pledged Shares, subject to any reduction in number as may be necessary to satisfy the Shareholders' indemnification obligations, shall be delivered to the Shareholders one (1) year after the Closing Date, in accordance with the terms of the Pledge Agreement attached hereto as Exhibit 2.2(a)(iii).

(ii) The remainder of the Buyer Shares shall be delivered to the Shareholders at the Closing (as defined in Section 2.1 hereof). The total number of Buyer Shares to be issued to the Shareholders will be issued as follows: twenty percent (20%) of the shares will be issued to each of the Shareholders.

(b) The parties agree that the dollar value of each Buyer Share shall be the Average Price for all purposes in determining (i) the number of Buyer Shares to be issued under Section 1.2 hereof, (ii) the number of Buyer Shares to be pledged under this Section 1.3, or (iii) the number of Pledged Shares Buyer may withhold to satisfy an indemnifiable claim, notwithstanding the actual market value of such shares (in each case with respect to clauses (i), (ii) or (iii), as adjusted for any stock splits or stock dividends).

Section 1.4 *Accounting and Tax Treatment.* The parties agree (a) to structure this transaction as a tax-free exchange, and (b), as more fully described in Section 9.6 to this Agreement, to treat this transaction for accounting purposes as a pooling-of-interests transaction and to take all actions necessary to characterize the transaction as such.

Section 1.5 *Registration of Buyer Shares.* The Shareholders and Buyer shall have the rights and obligations set forth in the Registration Rights Addendum attached hereto with respect to the registration of the Buyer Shares for sale and other matters addressed therein.

Article 2

Closing, Items to be Delivered,

Further Assurances, and Effective Date

Section 2.1 *Closing.* The consummation of transactions contemplated under this Agreement (the "Closing") will take place at 9 a.m., local time, on January 13, 2001 (the "Closing Date"), at the offices of Huval Insurance Agency, Inc., located at

102 Asma Boulevard, Suite 300, Lafayette, Louisiana 70508, unless another date or place is agreed to in writing by the parties hereto.

Section 2.2 Closing Obligations. At the Closing:

(a) The Shareholders will deliver to Buyer:

(i) certificates representing the Company Shares to Buyer, properly endorsed for transfer or with executed stock powers attached, for transfer to Buyer;

(ii) a release in the form of Exhibit 2.2(a)(ii), executed by each of the Shareholders (the "Release");

(iii) a pledge agreement in the form of Exhibit 2.2(a)(iii), executed by each of the Shareholders (the "Pledge Agreement"), along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares;

(iv) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Shareholders' Counsel");

(v) employment agreements in the form of Exhibit 2.2(a)(v), executed by those Shareholders to whom Buyer has offered employment (collectively, "Shareholder Employment Agreements");

(vi) evidence to Buyer's satisfaction that the Company has terminated all of its Employee Benefits Plans (other than Employee Welfare Benefit Plans), with such termination effective prior to the Closing Date; and

(b) Buyer shall deliver to the Shareholders:

(i) certificates representing the number of Buyer Shares to be issued to the Shareholders at the Closing pursuant to Section 1.3(b) hereof;

(ii) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Buyer's Counsel"); and

(iii) the Shareholder Employment Agreements, executed by Buyer.

Section 2.4 Mutual Performance. At or prior to the Closing, the parties hereto shall also deliver to each other the agreements, certificates, and other documents and instruments referred to in Articles 6 and 7 hereof.

Section 2.5 Third Party Consents. To the extent that the Company Shares may not be transferred to Buyer hereunder without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to transfer the same if an attempted transfer would constitute a breach thereof or be unlawful, and the Shareholders, at their expense, shall use their best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted transfer would be ineffective or would impair Buyer's rights so that Buyer would not in effect acquire the benefit of all such rights, the Shareholders, to the maximum extent permitted by law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Section 2.6 Further Assurances. From time to time after the Closing, the Shareholders will execute, acknowledge and deliver to Buyer such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably request in order to vest more effectively in Buyer, or to put Buyer more fully in possession of, the Company Shares. Each of the parties hereto will cooperate with the others and execute and deliver to the other parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

Section 2.7 Effective Date. The Effective Date of this Agreement and all related instruments executed at the Closing shall be the Closing Date.

Article 3

Representations and Warranties of the Shareholders

The Shareholders represent and warrant to Buyer as follows:

Section 3.1 Organization. The Company is a corporation organized and in good standing under the laws of Louisiana and its status is active. The Company has all requisite corporate power and authority and all necessary governmental approvals to own, lease, and operate its properties and to carry on its business as now being conducted. The Company is duly qualified

to do business and is in good standing as a foreign corporation in each jurisdiction where the conduct of its insurance agency business requires it to be so qualified.

Section 3.2 Authority. The Shareholders have the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Shareholders and constitutes their valid and binding obligation, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect which offset creditors' rights generally, and general equitable principles.

Section 3.3 Capitalization. Schedule 3.3 sets forth the number and par value of the shares that each of the Shareholders holds in the Company. Collectively, the Company Shares constitute all of the issued and outstanding shares of capital stock of the Company. All of the Company Shares have been duly issued and are fully paid and nonassessable. All of the Company Shares are owned and held by the Shareholders, free and clear of all liens, encumbrances or other third-party rights of any kind whatsoever. There are no outstanding agreements, options, rights or privileges, whether preemptive or contractual, to acquire shares of capital stock or other securities of any of the Company.

Section 3.4 Corporate Records. The Shareholders have delivered to Buyer correct and complete copies of the Articles of Incorporation and Bylaws of each Company, each as amended to date. The minute books containing the records of meetings of the shareholders, board of directors, and any committees of the board of directors, the stock certificate books, and the stock record books of each Company are correct and complete and have been made available for inspection by Buyer. The Company is not in default under or in violation of any provision of its Articles of Incorporation or Bylaws.

Section 3.5 Consents and Approvals; No Violations. Neither the execution, delivery or performance of this Agreement by the Shareholders nor the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will (a) except with respect to any options or rights of first refusal in favor of the Company (which options or rights the Shareholders shall cause the Company to reject prior to Closing), conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of the Company, (b) except for any necessary filings with the Louisiana Secretary of State or Department of Insurance, require any filing with, or permit, authorization, consent, or approval of, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority or agency (each a "Governmental Entity"), (c) except with respect to certain indebtedness which shall be paid off in connection with the Closing, result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions, or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which any of the Shareholders or the Company is a party or by which any of the Shareholders or the Company or any of their respective properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Shareholders or the Company, or any of their respective properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect on the Company or Buyer's ownership of the Company Shares.

Section 3.6 No Third Party Options. There are no existing agreements, options, commitments, or rights with, of or to any person to acquire any of the Company's securities, assets, properties or rights, or any interests therein.

Section 3.7 Financial Statements. The Shareholders have delivered to Buyer true and complete copies of the Company's consolidated balance sheet as of December 31, 2000 (the "Balance Sheet Date") and the related statement of income for the twelve (12) months then ended, all of which have been prepared in accordance with generally accepted accounting principles, consistently applied throughout the periods involved. Such balance sheets fairly present the consolidated financial position, assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company at the dates indicated and such statements of income fairly present the results of operations for the periods then ended. The Company's financial books and records are accurate and complete in all material respects.

Section 3.8 Absence of Certain Changes. Since the Balance Sheet Date, there have been no events or changes having a material adverse effect on the assets, liabilities, financial condition or operations of the Company or, to the Shareholders' or the Company's Knowledge (as defined in Section 10.2 of this Agreement), on the future prospects of the Company. Since the Balance Sheet Date, no Company has made any distributions or payments to any of the Shareholders (other than normal compensation that may have been paid to the Shareholders in their capacity as bona fide employees) and has not entered into any agreements other than in the ordinary course of business. Since the Balance Sheet Date, each Company has carried on business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and has not taken any unusual actions in contemplation of this transaction except to the extent that Buyer has given its prior specific consent.

Section 3.9 Assets. (a) Except as set forth in Schedule 3.9(a)-(1), the Company owns and holds, free and clear of any lien, charge, pledge, security interest, restriction, encumbrance or third-party interests of any kind whatsoever (including insurance company payables), sole and exclusive right, title, and interests in and to the customer expiration records for those customers listed in Schedule 3.9(a)-(2), together with the exclusive right to use such records and all customer accounts, copies of insurance policies and contracts in force, and all files, invoices and records pertaining to the customers, their contracts and insurance policies, and all related information. All customer accounts listed in Schedule 3.9(a)-(2) represent current customers of the Company and none of such accounts has been cancelled or transferred as of the date hereof.

(b) The name "The Huval Companies" is the only trade name used by the Company within the past three (3) years. No party has filed a claim during the past three (3) years against the Company alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party, or, if so, the claim has been settled with no existing liability to the Company and, to the Knowledge of the Shareholders or the Company, the Company has not violated or infringed any trademark, trade name, service mark, service name, patent, copyright or trade secret held by others.

(c) The computer software of the Company performs in a manner sufficient to operate the businesses of the Company as such businesses have historically been operated. The Shareholders have delivered to Buyer complete and correct copies of all user and technical documentation related to such software.

(d) The Company owns or leases all tangible assets necessary for the conduct of its business. All equipment, inventory, furniture and other assets owned or used by the Company in its business are in a state of good repair and maintenance, having regard for the purposes of which they are used, and the purposes for which such assets are used and for which they are held by the Company are not in violation of any statute, regulation, covenant or restriction. The Company owns or leases all office furniture, fixtures and equipment in its respective office locations.

(e) All notes and accounts receivables of the Company are reflected properly on its books and records, are valid receivables subject to no set-offs or counterclaims either asserted to date or of which the Shareholders or the Company has Knowledge, are presently current and collectible, net of reserves for bad debt, and will be collected in accordance with their terms at their recorded amounts. All of the Company's accounts payable, including accounts payable to insurance carriers, are current and reflected properly on the Company's books and records, and will be paid in accordance with their terms at their recorded amounts.

Section 3.10 *Undisclosed Liabilities.* The Company has no liabilities, and, to the Shareholders' or the Company's Knowledge, there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand against the Company giving rise to any liability, except (a) those liabilities reflected in the December 31, 2000 consolidated balance sheet of the Company, (b) liabilities which have arisen after the Balance Sheet Date in the ordinary course of business (none of which relates to any claim asserted with respect to any breach of contract, breach of warranty, tort, infringement, or violation of law, or arose from any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand), or (c) Incurred-But-Not-Reported (IBNR) health insurance claims by any plan participants. The Company has not guaranteed the obligations of any third party, including, without limitation, guarantees relating to premium financing on behalf of its customers.

Section 3.11 *Litigation and Claims.* Except as disclosed in Schedule 3.11, there is no suit, claim, action, proceeding or investigation pending or, to the Shareholders' or the Company's Knowledge, threatened against the Company, and there is no basis for such a suit, claim, action, proceeding or investigation. The Company is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have an adverse effect on the Company or would prevent the Shareholders from consummating the transactions contemplated hereby. No voluntary or involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to the Shareholders or the Company has been filed by or, to the Knowledge of the Shareholders or the Company, against the Shareholders or the Company, nor will the Shareholders or the Company file such a petition prior to the Closing Date or for one hundred (100) days thereafter, and if such petition is filed by others, the same will be promptly discharged. Each of the Shareholders is solvent on the date hereof and will be solvent on the Closing Date. Neither the Shareholders nor the Company has, and at the Closing Date will not have, made any assignment for the benefit of creditors, or admitted in writing insolvency or that its property at fair valuation will not be sufficient to pay its debts, nor will the Shareholders permit any judgment, execution, attachment, or levy against them or their properties to remain outstanding or unsatisfied for more than ten (10) days.

Section 3.12 *Compliance with Applicable Law.* The Company holds all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities necessary for the lawful conduct of its business (collectively, the "Permits"). The Company is in compliance with the terms of the Permits, except where the failure to comply would not have an adverse effect. The Company is not conducting business in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have an adverse effect on its business. As of the date of this Agreement, no investigation or review by any Governmental Entity with respect to the Company is pending or, to the Knowledge of the Shareholders or the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same.

Section 3.13 *Tax Returns and Audits.* The Company has timely filed all federal, state, local and foreign tax returns required to be filed by it or has paid or made provision for the payment of any penalty or interests arising from the late filing of any such return, has correctly reflected all taxes required to be shown thereon, and the Company has fully paid or made adequate provision for the payment of all taxes that have been incurred or are due and payable pursuant to such returns or pursuant to any assessment with respect to taxes in such jurisdictions, whether or not in connection with such returns. There are no circumstances or pending questions relating to Known potential tax liabilities nor claims asserted for taxes or assessments of the Company that, if adversely determined, could result in a tax liability arising out of any pre-Closing actions, omissions or other circumstances that may be assessed during any period prior to, including, or beginning after the Closing Date or on the Company's pre-Closing practices in computing or reporting taxes. To the Shareholders' or the Company's Knowledge, no federal income tax or information return for the Company is currently the subject of an audit

by the Internal Revenue Service. The Company has not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

Section 3.14 *Contracts.* (a) Schedule 3.14 lists all material contracts, agreements and other written arrangements to which the Company is a party, including, without limitation, the following:

(i) any written arrangement (or group of written arrangements) for the furnishing or receipt of services that calls for performance over a period of more than one (1) year;

(ii) any written arrangement concerning a partnership or joint venture;

(iii) any written arrangement (or group of written arrangements) under which the Company has created, incurred or assumed or may create, incur or assume indebtedness (including capitalized lease obligations) involving more than \$10,000 or under which it has imposed (or may impose) a security interest on any of its assets, tangible or intangible;

(iv) any employment agreement;

(v) any written arrangement concerning confidentiality or non-competition;

(vi) any written arrangement involving the Company and its present or former affiliates, officers, directors or shareholders;

(vii) any written arrangement under which the consequences of a default or termination could have a material adverse effect on the assets, liabilities, business, financial condition, operations or future prospects of the Company; or

(viii) any other written arrangement (or group of related arrangements) either involving more than \$10,000 or not entered into in the ordinary course of business.

(b) The Company is not a party to any verbal contract, agreement or other arrangement which, if reduced to written form, would be required to be listed in Schedule 3.14. The Shareholders have delivered to Buyer a correct and complete copy of each written arrangement, as amended to date, listed in Schedule 3.14. Each such contract, agreement and written arrangement is valid and enforceable in accordance with its terms, and no party is in default under any provision thereof.

Section 3.15 *Non-Solicitation Covenants.* The Company is not a party to any agreement that restricts its ability to compete in the insurance agency industry or solicit specific insurance accounts.

Section 3.16 *Insurance Policies.* Schedule 3.16 sets forth a complete and correct list of all insurance policies held by the Company with respect to its business, and true and complete copies of such policies have been delivered to Buyer. The Company has complied with all the provisions of such policies and the policies are in full force and effect.

Section 3.17 *Errors and Omissions.* The Company has not incurred any liability or taken or failed to take any action that may reasonably be expected to result in a liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance. All errors and omissions lawsuits and claims currently pending or threatened against the Company are set forth in Schedule 3.11. The Company has errors and omissions (E&O) insurance coverage in force, with minimum liability limits of \$1 million per claim and \$2 million aggregate, with a deductible of \$10,000 per claim and \$10,000 aggregate, and the Shareholders will provide to Buyer a certificate of insurance evidencing such coverage prior to or on the Closing Date. The Company has had the same or higher levels of coverage continuously in effect for at least the past five (5) years (or, if a period shorter than five (5) years, since the Company's inception).

Section 3.18 *Employees.* Except as disclosed in Schedule 3.14, all employees of the Company are employees at will, and the Company is not a party to any written contract of employment. None of the Company's employees is currently being treated for a major medical condition.

Section 3.19 *Employee Benefit Plans.* Schedule 3.19 lists each Employee Benefit Plan (as defined below) that the Company or any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (as defined below) (a "Company ERISA Affiliate") maintains or to which the Company or the Company ERISA Affiliate contributes.

(a) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all respects with the applicable requirements of ERISA, the Code, and other applicable laws. No such Employee Benefit Plan is under audit by the Internal Revenue Service or the Department of Labor.

(b) All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-1s, and summary plan descriptions) have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA and of Code Section 4980B have been met with respect to each such Employee Benefit Plan that is an "Employee Welfare Benefit Plan" as such term is defined in ERISA Section 3(1).

(c) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been paid to each such Employee Benefit Plan that is an "Employee Pension Benefit Plan" as such term is defined in ERISA Section 3(2), and all contributions for any period ending on or before the Closing Date that are not yet due have been paid to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Company.

All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(d) Each such Employee Benefit Plan that is an Employee Pension Benefit Plan meets the requirements of a "qualified plan" under Code Section 401(a) and has received, within the last two (2) years, a favorable determination letter from the Internal Revenue Service.

(e) The market value of assets under each such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any "Multiemployer Plan" as such term is defined in ERISA Section 3(37)) equals or exceeds the present value of all vested and nonvested liabilities thereunder determined in accordance with Pension Benefit Guaranty Corporation ("PBGC") methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(f) The Company has delivered to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements that implement each such Employee Benefit Plan.

(g) With respect to each Employee Benefit Plan that the Company or the Company ERISA Affiliate maintains or ever has maintained or to which it contributes, ever has contributed, or ever has been required to contribute:

(i) No such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a "Reportable Event" (as such term is defined in ERISA Section 4043) as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the Knowledge of the Shareholders or the Company, threatened.

(ii) There have been no "Prohibited Transactions" as defined in ERISA Section 406 and Code Section 4975 with respect to any such Employee Benefit Plan. No "Fiduciary" as defined in ERISA Section 3(21) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of the Shareholders or the Company, threatened. None of the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any Knowledge of any basis for any such action, suit, proceeding, hearing, or investigation.

(iii) The Company has not incurred, and none of the Company, the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any reason to expect that the Company shall incur, any liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability) or under the Code with respect to any such Employee Benefit Plan that is an Employee Pension Benefit Plan.

(iv) Neither the Company nor the Company ERISA Affiliate contributes to, nor has ever been required to contribute to, any Multiemployer Plan or has any liability (including withdrawal liability) under any Multiemployer Plan.

(v) Neither the Company nor the Company ERISA Affiliate maintains or contributes, nor has ever maintained or contributed, or has ever been required to contribute to any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Code Section 4980B).

As used in this Agreement, the term "Employee Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan or material fringe benefit plan or program.

Section 3.20 *Intellectual Property.*

(a) The Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property (as defined below) necessary or desirable for the operation of the businesses of the Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by the Company immediately prior to the Closing hereunder shall be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder. Each Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that it owns or uses.

(b) No Company has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and none of the Shareholders and the directors and officers (and employees with responsibility for Intellectual Property matters) of the Company has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the

Shareholders or the Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Company.

(c) No Company has any patents issued in its name, or patent applications filed or pending. Schedule 3.20(c) identifies each license, agreement, or other permission the Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). The Shareholders have delivered to Buyer correct and complete copies of all such registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Schedule 3.20(c) also identifies each trade name and registered or unregistered trademark or service mark used by the Company. With respect to each item of Intellectual Property required to be identified in Schedule 3.20(c):

(i) the Company possesses all right, title, and interest in and to the item, free and clear of any security interest, license, or other restriction;

(ii) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and

(iv) the Company has never agreed to indemnify any person or entity for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(d) Schedule 3.20(d) identifies each item of Intellectual Property that any third party owns and that the Company uses pursuant to license, sublicense, agreement, or permission. The Shareholders have delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Schedule 3.20(d):

(i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(ii) the license, sublicense, agreement, or permission shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article 2 above);

(iii) no party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred that with notice or default or permit termination, modification, or acceleration thereunder;

(iv) no party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(v) with respect to each sublicense, the representations and warranties set forth in clauses (i) through (iv) above are true and correct with respect to the underlying license;

(vi) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(vii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of the Shareholders or the Company, is threatened that challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(viii) Such Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(e) To the Knowledge of the Shareholders or the Company, no Company shall interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of the continued operation of its businesses as presently conducted and as presently proposed to be conducted.

As used in this Agreement the term "Intellectual Property" means (A) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (B) all trademarks, service marks, trade dress, logos, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (C) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (D) all mask works and all applications, registrations, and renewals in connection therewith, (E) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (F) all computer software (including data and related documentation), (G) all other proprietary rights, and (H) all copies and tangible embodiments thereof (in whatever form or medium).

Section 3.22 *Environment, Health, and Safety.*

(a) Each Company and its predecessors and affiliates have complied with all Environmental, Health, and Safety Laws (as defined below), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply. Without limiting the generality of the preceding sentence, each Company and its predecessors and affiliates has obtained and been in compliance with all of the terms and conditions of all permits, licenses, and other authorizations that are required under, and has complied with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables that are contained in, all Environmental, Health, and Safety Laws.

(b) The Company has no liability (and neither the Company or its predecessors and affiliates has handled or disposed of any substance, arranged for the disposal of any substance, exposed any employee or other individual to any substance or condition, or owned or operated any property or facility in any manner that could form the basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against the Company giving rise to any liability) for damage to any site, location, or body of water (surface or subsurface), for any illness of or personal injury to, any employee or other individual, or for any reason under any Environmental, Health, and Safety Law.

(c) All properties and equipment used in the business of each Company and its predecessors and affiliates have been free of asbestos, polychlorinated biphenyls (PCBs), methylene chloride, trichloroethylene, 1, 2-trans-dichloroethylene, dioxins, dibenzofurans, and Extremely Hazardous Substances (as defined below).

(d) As used in this Agreement, the term:

(i) "Environmental, Health, and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Occupational Safety and Health Act of 1970, each as amended, together with all other laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, public health and safety, or employee health and safety, including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes;

(ii) "Extremely Hazardous Substance" has the meaning set forth in Section 302 of the Emergency Planning and Community Right-to-Know Act of 1986, as amended; and

(iii) "Hazardous Materials" means any "toxic substance" as defined in 15 U.S.C. Section 2601 *et seq.* on the date hereof, including materials designated on the date hereof as "hazardous substances" under 42 U.S.C. Section 9601 *et seq.* or other applicable laws, and toxic, radioactive, caustic, or otherwise hazardous substances, including petroleum and its derivatives, asbestos, PCBs, formaldehyde, chlordane and heptachlor.

Section 3.22 Accounting Matters. To the Knowledge of the Shareholders or the Company, no "Affiliate" (as defined below) of the Company has, during a period of thirty (30) days prior to the date of this Agreement, sold, pledged, hypothecated, or otherwise transferred or encumbered any capital stock of the Company held by such Affiliate. For purposes of this Agreement, the term "Affiliate" means any officer, director, or owner of ten percent (10%) or more of the voting capital stock of the Company.

Section 3.23 Securities Law Representations. (a) The Shareholders were granted access to the business premises, offices, properties, and business, corporate and financial books and records of Buyer. The Shareholders were permitted to examine the foregoing records, to question officers of Buyer, and to make such other investigations as they considered appropriate to determine or verify the business and financial condition of Buyer. Buyer furnished to the Shareholders all information regarding its business and affairs that the Shareholders requested, including, without limitation, (i) Buyer's annual report on Form 10-K for the year ended December 31, 1999, (ii) Buyer's Annual Report to Shareholders for the year ended December 31, 1999, (iii) the Proxy Statement for Buyer's 2000 Annual Meeting of Shareholders, and (iv) Buyer's quarterly reports on Form 10-Q for the three (3) months ended March 31, June 30, and September 30, 2000, respectively.

(b) Each Shareholder recognizes that the Buyer Shares will, when issued, not be registered under the Securities Act of 1933, as amended (the "Securities Act") and will therefore, unless and until a registration statement with respect to the Buyer Shares is declared effective by the Securities and Exchange Commission (the "SEC"), constitute "restricted securities" as defined pursuant to Rule 144(a)(3) under the Securities Act under which means, among other things, that the Shareholders generally will not be able to sell the Buyer Shares for a period of at least one (1) year following the Closing Date, and may not be sold, offered for sale, transferred, pledged, hypothecated or otherwise disposed of except in compliance with the Securities Act, as such, by way of illustration but without limitation, in compliance the safe harbor provisions of Rule 144; further, the legal consequences of the foregoing mean that the Shareholder must bear the economic risk of the investment in the Buyer Share for an indefinite period of time; further, if the Shareholder desires to sell or transfer all or any part of the Buyer Shares, Buyer may require the Shareholder's counsel to provide a legal opinion that the transfer may be made without registration under the Securities Act; further, other restrictions discussed elsewhere herein may be applicable; further, the Shareholder is subject to the restriction on transfer described herein and Buyer will issue stop transfer orders with Buyer's transfer agent to enforce such restrictions; further, the Buyer Shares will bear a legend restricting transfer; and further, the following paragraph, or language substantially equivalent thereto, will be inserted in or stamped on the certificates evidencing the same:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SHARES HAVE BEEN ACQUIRED FOR INVESTMENT. THIS STOCK MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THE SAME UNDER THE SECURITIES ACT OF 1933 OR OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE SECURITIES LAWS.

(c) Because of their considerable knowledge and experience in financial and business matters, each of the Shareholders is able to evaluate the merits, risks, and other factors bearing on the suitability of the Buyer Shares as an investment. Each of the Shareholders, individually or by virtue of a "purchaser representative" (as defined pursuant to Rule 501(h) under the Securities Act), qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act .

(d) Each Shareholder's annual income and net worth are such that he or she would not now be, and does not contemplate being, required to dispose of any investment in the Buyer Shares, including the risk of losing all or any part of his investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Buyer Shares for an indefinite period.

(e) The Shareholder's acquisition of the Buyer Shares will be solely for his own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Section 3.24 *No Misrepresentations.* None of the representations and warranties of the Shareholders set forth in this Agreement or in the attached Schedules, notwithstanding any investigation thereof by Buyer, contains any untrue statement of a material fact, or omits the statement of any material fact necessary to render the statements made not misleading.

Article 4

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders as follows:

Section 4.1 *Organization.* Buyer is a corporation organized under the laws of Florida and its status is active. Buyer has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect.

Section 4.2 *Authority.* Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles.

Section 4.3 *Consents and Approvals; No Violations.* Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of Buyer, (b) require any filing with, or permit authorization, consent, or approval of, any Governmental Entity, except where the failure to obtain such permits, authorizations, consents, or approvals or to make such filings would not have a material adverse effect, (c) result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which Buyer is a party or by which Buyer or its properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect.

Section 4.4 *SEC Reports and Financial Statements.* Buyer has filed with the SEC, and has heretofore made available to the Shareholders true and complete copies of all forms, reports, schedules, statements and other documents required to be filed by it since December 31, 1999 under the Securities Exchange Act of 1934 (the "Exchange Act") or the Securities Act (as such documents have been amended since the time of their filing, collectively, the "Buyer SEC Documents"). The Buyer SEC Documents, including without limitation any financial statements and schedules included therein, at the time filed, (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, and the applicable rules and regulations of the SEC thereunder. The financial statements

of Buyer included in the Buyer SEC Documents comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited statements, to normal, recurring audit adjustments) the consolidated financial position of Buyer and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended.

Section 4.5 *Absence of Certain Changes.* Except as disclosed in the Buyer SEC Documents, since December 31, 1999, there have been no events, changes or events having, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.6 *No Undisclosed Liabilities.* Except as and to the extent set forth in Buyer's Quarterly Report on Form 10-Q for the period ended September 30, 2000, as of September 30, 2000, Buyer had no liabilities or obligations, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of Buyer and its subsidiaries. Since September 30, 2000, Buyer has not incurred any liabilities, whether or not accrued, contingent or otherwise, outside the ordinary course of business or that would have, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.7 *Litigation.* Except as disclosed in the Buyer SEC Documents filed prior to the date of this Agreement, there is no suit, claim, action, proceeding or investigation pending or, to the best Knowledge of Buyer, threatened against Buyer or any of its subsidiaries before any Governmental Entity that, individually or in the aggregate, is reasonably likely to have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated by this Agreement. Except as disclosed in the Buyer SEC Documents, neither Buyer nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated hereby.

Section 4.8 *Accounting Matters.* To the best Knowledge of Buyer, neither Buyer nor any of its affiliates has through the date of this Agreement taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by the Company or any of its affiliates) would prevent the parties from accounting for the transaction to be effected by this Agreement as a pooling of interests.

Section 4.9 *Errors and Omissions.* Buyer has not incurred any material liability or taken or failed to take any action that may reasonably be expected to result in a material liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance and those disclosed in the Buyer SEC Documents. Buyer has errors and omission (E&O) insurance coverage in force, with minimum liability limits of \$35,000,000.00 per occurrence and \$35,000,000.00 aggregate, with a deductible of \$250,000.00.

Section 4.10 *Securities Law Representations.* (a) Buyer was granted access to the business premises, offices, properties, and business, corporate and financial books and records of the Company. Buyer was permitted to examine the foregoing records, to question officers of the Company, and to make such other investigations as it considered appropriate to determine or verify the business and financial condition of the Company. The Shareholders furnished to Buyer all information regarding the business and affairs of the Company that Buyer requested.

(b) Because of its considerable knowledge and experience in financial and business matters, Buyer is able to evaluate the merits, risks, and other factors bearing on the suitability of the Company Shares as an investment. Buyer qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act.

(c) Buyer's annual income and net worth are such that it would not now be, and does not contemplate being, required to dispose of any investment in the Company Shares, including the risk of losing all or any part of its investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Company Shares for an indefinite period. Buyer recognizes that the Company Shares will not be registered under the Securities Act of 1933 and will therefore constitute "restricted securities," which means, among other things, that Buyer generally will not be able to sell the Company Shares for a period of at least one (1) year following the Closing Date.

(d) Buyer's acquisition of the Company Shares will be solely for its own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Article 5

[INTENTIONALLY OMITTED]

Article 6

Additional Agreements

Section 6.1 *Access to Information.* Upon reasonable notice, the Shareholders shall cause the Company to afford to the officers, employees, accountants, counsel, and other authorized representatives of Buyer full access, during the period prior to the Closing Date, to all of the properties, books, contracts, commitments, records, and senior management of the

Company. Unless otherwise required by law, Buyer will hold any such information that is nonpublic in confidence, will not use such information in its business if the transaction does not close, and will promptly return such information if the transaction does not close. After the Closing, upon reasonable notice, Buyer shall cause the Company to afford to the Shareholders and their accountants, counsel and other authorized representatives of the Shareholders reasonable access to the properties, books, contracts, commitments, and records of the Company. Unless otherwise required by law or if necessary to do so in connection with any legal proceeding, or if required by any government or governmental agency or authority, the Shareholders will hold any such information that is nonpublic in confidence; provided, however, that nothing in this Section 6.1 shall be deemed or construed to impair or otherwise limit those covenants set forth in Section 6.13 hereof.

Section 6.2 Expenses. Whether or not the transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by Buyer, for itself, or the Company, on behalf of the Shareholders, for such incurred expenses.

Section 6.3 Brokers or Finders. Each of the parties represents, as to itself, its subsidiaries and its affiliates, that no agent, broker, investment banker, financial advisor, or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, and each of the parties agrees to indemnify and hold the others harmless from and against any and all claims, liabilities, or obligations with respect to any fees, commissions, or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate.

Section 6.4 Additional Agreements; Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties agrees to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including cooperating fully with the other parties.

Section 6.5 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Company (as such term is defined in Section 3.22 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.5 Non-Competition Covenants. Each of the Shareholders agrees that he or she shall not, directly or indirectly, for a period of two (2) years beginning on the Closing Date, engage in, or be or become the owner of an equity interest in, or otherwise consult with, be employed by, or participate in the business of, any entity (other than Buyer or the Company) engaged in the insurance agency business within the following Louisiana parishes: Acadia, Iberia, Lafayette, Lincoln, Saint Landry, Saint Martin, or Vermilion. The Shareholders acknowledge that the confidentiality and non-solicitation covenants to be contained in any employment agreements they may enter into with Buyer will be in addition to, and will not supersede or be subordinate to, the non-competition covenants contained in this Section 6.5. Notwithstanding anything in this Section 6.5, (a) the servicing by Dale F. Huval of any insurance or bond business of any kind for those accounts or customers of Huval Richard Insurance Agency, Inc. set forth in Schedule 3.9(a)-(2) (the "Richard Accounts") or (b) any indirect remuneration by Thomas K. Huval or Kathryn H. Pontiff in connection with the Richard Accounts, shall not be deemed a breach of this Section 6.5.

Section 6.6 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Companies (as such term is defined in Section 3.23 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.7 Remedy for Breach of Covenants. In the event of a breach of the provisions of Section 6.5 or 6.6, Buyer and the Company shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of competent jurisdiction declare the covenants set forth in Section 6.5 or 6.6 unenforceable due to a unreasonable restriction, duration, geographical area or otherwise, the parties agree that such court shall be empowered and shall grant Buyer, the Company and their affiliates injunctive relief to the extent reasonably necessary to protect their respective interests. The Shareholders acknowledge that the covenants set forth in Sections 6.5 and 6.6 represent an important element of the value of the Company Shares and were a material inducement for Buyer to enter into this Agreement.

Section 6.8 Errors and Omissions Tail Coverage. On or prior to the Closing Date, the Shareholders shall cause the Company to purchase, at the Company's expense, a tail coverage extension on each Company's errors and omissions insurance policy. Such coverage shall extend for a period of at least three (3) years from the Closing Date, shall have the same coverages and deductibles currently in effect, and shall otherwise be in form reasonably acceptable to Buyer. A certificate of insurance evidencing such coverage shall be delivered to Buyer at or prior to Closing.

Section 6.9 Release. The Shareholders each agree on the Closing Date to execute and deliver the Release.

Section 6.10 Pledge Agreement. The parties agree on the Closing Date to enter into the Pledge Agreement.

Section 6.11 *Shareholder Employment Agreements.* Buyer and each of the Shareholders agree on the Closing Date to enter into the respective Shareholder Employment Agreements.

Section 6.12 *Confidentiality.* The parties agree to maintain the existence of this transaction and the terms hereof in confidence, until the earliest of the following circumstances occurs: (a) the parties mutually agree to release such information to the public; (b) Buyer or the Shareholders reasonably concludes that such disclosure is required by law; or (c) the Closing has occurred and ownership of the Company Shares has passed to Buyer.

Section 6.13 *Preparation of Tax Return.* The Shareholders recognize that a year-to-date income tax return must be prepared and filed for each Company as a result of this transaction and that the Shareholders are primarily responsible for causing the preparation of this return; provided, however, that Buyer shall cause the Company to provide the Shareholders and their authorized representatives with reasonable access to the Company's books and records in order to prepare such return. The Shareholders therefore agree to cause the preparation of these returns in accordance with federal filing requirements, at the Company's expense, and deliver them to the Company in advance to review and file. Buyer and the Company shall be solely responsible for any changes they make to the returns prepared by the Shareholders.

Section 6.14 *Removal of Restrictive Legend.* Upon the Shareholders' written request, at the expiration of the applicable waiting period under Rule 144 (or if and when successfully registered for resale with the SEC), Buyer shall instruct its transfer agent to remove any restrictive legends on those certificates issued to the Shareholders evidencing the Buyer Shares.

Section 6.15 *Release of Personal Guarantees.* As of Closing, the Shareholders shall be deemed to be released from any personal guarantees made by such Shareholders with respect to any obligation of the Company. Buyer shall cooperate to have such Shareholders released by the Company's creditors from any such personal guarantees and shall indemnify such Shareholders from any Adverse Consequences (as defined in Section 8.2 hereof) arising from such personal guarantees, provided that such Adverse Consequences do not arise as a result of any default prior to the Closing Date by any such Shareholder under such personal guarantee.

Section 6.16 *Release of Security Interests.* On the Closing Date, the Shareholders shall deliver "payoff letters" from each Company's respective creditors, identifying the amount that must be paid to satisfy the Company's obligations to such creditor as of the Closing Date, and shall cause the Company to pay, with funds provided by Buyer, such amounts in full on the Closing Date. The Shareholders shall cooperate in obtaining releases from the Company's secured creditors of their respective security interests promptly after Closing including, without limitation, causing its secured creditors to execute and file a UCC-3 financing statement in connection with its security interest described in Section 3.9(a).

Article 7

Conditions

Section 7.1 *Conditions to Each Party's Obligation.* The respective obligations of each party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction prior to or on the Closing Date of the following conditions:

(a) ***Approvals.*** All authorizations, consents, orders, or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure to obtain which would have a material adverse effect on the Company, shall have been filed, occurred, or been obtained.

(b) ***No Injunctions or Restraints.*** No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction shall be in effect.

Section 7.2 *Conditions to Obligations of Buyer.* The obligation of Buyer to effect the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions, unless waived by Buyer:

(a) ***Representations and Warranties.*** The representations and warranties of the Shareholders set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) ***Performance of Obligations by the Shareholders.*** The Shareholders shall have performed all obligations required to be performed by them under this Agreement at or prior to the Closing Date.

(c) ***Employment Agreements.*** Each employee of the Company that Buyer intends to retain shall have executed and delivered to Buyer a copy of Buyer's standard employment agreement, which contains confidentiality and non-solicitation provisions.

(d) ***Due Diligence.*** Buyer shall be satisfied, in its sole discretion, with the results of its due diligence investigation of the Company including, without limitation, Buyer's real estate and environmental due diligence with respect to the Real Property.

(e) ***Opinion of the Shareholders' Counsel.*** The Shareholders shall have delivered to Buyer a written opinion of counsel dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(a)(iv) with only such changes therein as shall

be in form and substance reasonably satisfactory to Buyer.

(f) *Pledge Agreement.* The Shareholders shall have executed and delivered to Buyer the Pledge Agreement, along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares.

(g) *Release.* Each Shareholder shall have executed and delivered to Buyer the Release.

(h) *Adverse Changes.* There shall have been no material adverse change to the business or financial condition of the Company since the Balance Sheet Date.

(i) *Board Approval.* Buyer's Board of Directors shall have approved this transaction and the issuance of the Buyer Shares to the Shareholders.

(j) *Tangible Net Worth.* Buyer shall be satisfied that the Company, on a consolidated basis, have Tangible Net Worth (as defined herein) as of the Closing Date of at least ten percent (10%) of the Company's consolidated Core Revenue for the twelve (12) month period ended July 31, 2000. For purposes of this Agreement, the term "Tangible Net Worth" shall be calculated as agreed between Buyer and the Shareholders, as set forth in Schedule 7.2(j).

(k) *Appointment by Insurance Carriers.* Buyer shall be satisfied that those insurance carriers of the Company that Buyer wishes to appoint Buyer as their agent are willing to do so as of the Closing Date.

(l) *Termination of Employee Benefit Plans.* Buyer shall be satisfied that each Company has properly terminated all of its Employee Benefit Plans (except for its Employee Welfare Benefit Plans), effective prior to the Closing Date.

(m) *Termination of Liens and Encumbrances.* Buyer shall be satisfied that all liens or other encumbrances on any of the Company Shares and the assets of the Company have been satisfied and released prior to Closing.

(n) *Accounting and Tax Treatment; Securities Exemption.* Buyer shall be satisfied that its acquisition of the Company Shares and related issuance of the Buyer Shares shall qualify (i) for treatment for accounting purposes as a pooling-of-interests transaction and (ii) for an exemption from registration under federal and state securities laws.

(o) *Spousal Consents.* Pursuant to Louisiana community property law, Buyer shall have received executed written consents to this Agreement and the transactions contemplated herein from the respective spouses of the Shareholders.

(p) *Payoff of Company Debt.* The Shareholders shall have delivered to Buyer "payoff" letters from the Company's creditors, and Buyer shall be satisfied that the obligation amounts set forth in such payoff letters have been paid in full by the Company.

(q) *Waiver of Rights of First Refusal.* The Shareholders shall have delivered to Buyer evidence satisfactory to Buyer in its sole discretion that any right of first refusal in favor of the Shareholders and/or any of the Company in connection with the sale of the Company's stock, whether pursuant to the Company's Articles of Incorporation or otherwise, have been waived by the Shareholders and/or the Company, as the case may be.

Section 7.3 Conditions to Obligation of the Shareholders. The obligations of the Shareholders to effect the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, unless waived by the Shareholders:

(a) *Representations and Warranties.* The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) *Performance of Obligations by Buyer.* Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) *Opinion of Buyer's Counsel.* Buyer's Assistant General Counsel shall have delivered to the Shareholders a written opinion dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to the Shareholders.

Article 8

Indemnification

Section 8.1 Survival of Representations, Warranties, Indemnities and Covenants. The representations, warranties and indemnities set forth in this Agreement and any right to bring an action at law, in equity, or otherwise for any misrepresentation or breach of warranty under this Agreement shall survive for a period of one (1) year from the Closing Date. All post-closing covenants shall survive the Closing for the period specified in this Agreement or, if not specified, for a period of one (1) year following the Closing Date.

Section 8.2 Indemnification Provisions for the Benefit of Buyer. Subject to Section 8.4, the Shareholders, jointly and severally, agree to indemnify and hold Buyer, the Company and its officers, directors and affiliates harmless from and

against (a) any amount of those accounts receivable of the Company aged as of the Closing Date over fifty-nine (59) days (the "Aged Accounts Receivable") which remain uncollected as of the one-year anniversary of the Closing Date, net of any reasonable reserve for bad debts, and (b) any and all Adverse Consequences (as defined below) any of such parties may suffer or incur resulting from, arising out of, relating to, or caused by (i) the material breach of any of the Shareholders' representations, warranties, obligations or covenants contained herein, or (ii) the operation of the Company's insurance agency business or ownership of the Company Shares by the Shareholders on or prior to the Closing Date, including, without limitation, any claims or lawsuits based on conduct of the Shareholders, the Company, or its officers, directors or affiliates, occurring before the Closing. For purposes of this Article 8, the phrase "Adverse Consequences" means all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations, injunctions, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), obligations, taxes, liens, losses, expenses, and fees, including all attorneys' fees and court costs.

Section 8.3 *Indemnification Provisions for the Benefit of the Shareholders.* Subject to Section 8.4, Buyer agrees to indemnify and hold the Shareholders harmless from and against any and all Adverse Consequences the Shareholders may suffer or incur resulting from, arising out of, relating to, or caused by (a) the material breach of any of Buyer's representations, warranties, obligations or covenants contained herein, or (b) the operation of the insurance agency business of the Company or ownership of the Company Shares by Buyer after the Closing Date, including, without limitation, any claims or lawsuits based on conduct of Buyer, the Company or its officers, directors or affiliates, occurring after the Closing.

Section 8.4 *Maximum Indemnification Amount; Materiality Threshold.* (a) Notwithstanding anything in this Article 8 to the contrary, no party (the Shareholders being considered one party for purposes of this Section 8.4) shall be liable for any otherwise indemnifiable obligations under this Article 8 to the extent such obligations in the aggregate exceed the Purchase Price.

(b) No party (the Shareholders collectively being considered one party for purposes of this Section 8.4) shall be entitled to indemnification hereunder with respect to any claim or claims unless and until the aggregate amount of the indemnified claim or claims exceeds \$11,400.00. Once such party's claims exceed \$11,400.00 in the aggregate, such party shall be entitled to be indemnified for the full amount of its claims to the extent such claims exceed such \$11,400.00 aggregate amount.

Article 9

[INTENTIONALLY OMITTED]

Article 10

Miscellaneous

Section 10.1 *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (if confirmed), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses or at such other address for a party as shall be specified by like notice:

(a) If to Buyer, to

Brown & Brown, Inc.

401 E. Jackson Street, Suite 1700

Tampa, Florida 33602

Telecopy No.: (813) 222-4464

Attn: Laurel L. Grammig, Esq.

(b) if to the Shareholders, to

Tommy Huval

102 Asma Boulevard

Lafayette, Louisiana 70508

Telecopy No.: (337) 234-5175

with a copy to

Breazeale, Sachse & Wilson, L.L.P.
Twenty-Third Floor, One American Place
Baton Rouge, Louisiana 70821

Section 10.2 Use of Term "Knowledge". With respect to the term "Knowledge" or "Known" as used herein: (a) an individual will be deemed to have "Knowledge" of a particular fact or other matter (or such fact or matter will be deemed "Known" if (i) such individual is actually aware of such fact or other matter, or (b) a prudent individual could be expected to discover or otherwise become of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter; and (b) a corporation will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving, who has at any time in the twelve (12) months prior to the Closing Date served, as a director, officer, employee, executor, or trustee (or in any similar capacity) of such corporation has, or at any time had, Knowledge of such fact or other matter.

Section 10.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.4 Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 10.5 Assignment. Except as contemplated in Section 6.8 hereof, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 10.6 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 10.7 Joint Efforts. This Agreement is the result of the joint efforts and negotiations of the parties hereto, with each party being represented, or having the opportunity to be represented, by legal counsel of its own choice, and no singular party is the author or drafter of the provisions hereof. Each of the parties assumes joint responsibility for the form and composition of this Agreement and each party agrees that this Agreement shall be interpreted as though each of the parties participated equally in the composition of this Agreement and each and every provision and part hereof. The parties agree that the rule of judicial interpretation to the effect that any ambiguity or uncertainty contained in an agreement is to be construed against the party that drafted the agreement shall not be applied in the event of any disagreement or dispute arising out of this Agreement.

Section 10.8 Headings. All paragraph headings herein are inserted for convenience of reference only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

Section 10.9 Severability. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be illegal, invalid or unenforceable, either in whole or in part, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or covenants, or any part thereof, all of which shall remain in full force and effect.

Section 10.10 Attorneys' Fees. The prevailing party in any proceeding brought to enforce the provisions of this Agreement shall be entitled to an award of reasonable attorneys' fees and costs incurred at both the trial and appellate levels incurred in enforcing its rights hereunder.

Section 10.11 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, the parties have signed or caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

BUYER:

BROWN & BROWN, INC.

By: /S/ THOMAS M. DONEGAN, JR.

Name: Thomas M. Donegan, Jr.

Title: Vice President

SHAREHOLDERS:

/S/ THOMAS K. HUVAL

Thomas K. Huval, individually

/S/ KATHRYN H. PONTIFF

Kathryn H. Pontiff, individually

/S/ MARK W. GAGNARD

Mark W. Gagnard, individually

/S/ GLENN P. LANDRY

Glenn P. Landry, individually

/S/ DALE F. HUVAL

DALE F. HUVAL, individually

SCHEDULES AND EXHIBITS

Schedule 3.3: Capitalization

Schedule 3.11: Litigation and Claims

Schedule 3.14: Material Contracts

Schedule 3.16: Insurance Policies

Schedule 3.19: Employee Benefit Plans

Schedule 3.20(c): Owned Intellectual Property

Schedule 3.20(d): Licensed Intellectual Property

Schedule 7.2(j): Tangible Net Worth

Exhibit 2.2(a)(iii): Pledge Agreement

Exhibit 2.2(a)(ii): Release

Exhibit 2.2(a)(iv): Opinion of the Shareholders' Counsel

Exhibit 2.2(a)(v): Shareholder Employment Agreement

Exhibit 2.2(b)(ii): Opinion of Buyer's Counsel

REGISTRATION RIGHTS PROVISIONS

Section 1. *Definitions.* As used in this Addendum, the following terms have the meanings specified below and include the plural as well as the singular:

"*Common Stock*" means the Company's common stock, par value \$0.10 per share.

"*Company*" means Brown & Brown, Inc., a Florida corporation.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"*Governmental Authority*" means any nation or government, any state or other political subdivision thereof and any court, panel, judge, board, bureau, commission, agency or other entity, body or other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*NASD*" means the National Association of Securities Dealers, Inc.

"*Person*" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"*Prospectus*" means the prospectus included in any Registration Statement at the time the same becomes effective, as amended or supplemented by any prospectus supplement, including post-effective amendments and all material incorporated by reference in the prospectus.

"*Registrable Shares*" means the Sellers' Registrable Shares. All such securities shall cease to be Registrable Shares when they (i) have been distributed to the public pursuant to an offering registered under the Securities Act, (ii) become eligible to be sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force), or (iii) are sold by Sellers.

"*Registration Expenses*" means all expenses incident to the Company's performance of or compliance with this Addendum, including, without limitation, all SEC and stock exchange or NASD registration and filing fees and expenses, fees and expenses of compliance with securities or blue sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares), printing expenses, messenger and delivery expenses, the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange or national market system on which similar securities issued by the Company are then listed, fees and disbursements of counsel for the Company and all independent certified public accountants (including the expenses of any annual audit, special audit, if necessary, and "cold comfort" letters required by or incident to such performance and compliance and the fees and expenses of any special experts retained by the Company); however, the Company shall not be responsible for any underwriting discounts or commissions, fees and expenses of counsel to Sellers or transfer taxes, if any, attributable to the sale of Sellers' Registrable Shares.

"*Registration Statement*" means any registration statement of the Company that covers any of the Registrable Shares pursuant to the provisions of this Addendum, including all pre-effective amendments and post-effective amendments thereto, the Prospectus and supplements thereto, all exhibits, and all materials incorporated by reference in the Registration Statement.

"*SEC*" means the Securities and Exchange Commission or any successor thereof.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"*Seller Representative*" means Thomas K. Huval, or any other person designated in a writing signed by the Sellers and delivered to the Company in accordance with the notice provisions of the Stock Purchase Agreement, to act as their representative under this Addendum.

"*Sellers*" means the parties identified as "Shareholders" in the Stock Purchase Agreement.

"*Stock Purchase Agreement*" means the stock purchase agreement to which this Addendum is attached.

"*Sellers' Registrable Shares*" means all Common Stock issued to Sellers pursuant to the terms of the Stock Purchase Agreement and all Common Stock issued with respect to such Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, reorganization or otherwise.

Section 2. *Registration Rights.*

(a) The Company shall prepare and file a Registration Statement on or before March 31, 2001, providing for the sale of the Registrable Shares by the Sellers pursuant to Rule 415 of the Securities Act or any similar rule that may be adopted by the SEC; however, none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares: (i) before the date on which financial results covering at least thirty (30) days of post-Closing Date (as defined in the Stock Purchase Agreement) combined operations of the Company and Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc., Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated, each a Louisiana corporation, along with any subsidiaries thereof, have been published by the Company except as otherwise permitted by the Stock Purchase Agreement; (ii) if such sale, transfer, pledge or disposition would prevent the stock purchase pursuant to the Stock Purchase Agreement from being accounted for as a pooling-of-interests; or (iii) while such Registration Statement remains effective, during a period beginning fifteen (15) days before the end of each of the Company's fiscal quarters and ending on the second (2nd) business day following the next release by the Company to the public of quarterly or annual earnings. The Registration Statement may include other securities of the Company designated by the Company and may include securities of the Company being sold for the account of the Company or others.

(b) The provisions of this Section 2 will be subject to the following conditions:

(i) If at any time after the Company files a Registration Statement hereunder the Company decides to make a public offering of securities through one or more underwriters, and an underwriter selected by the Company to manage such proposed underwriting advises the Company that it believes that such underwritten offering could be adversely affected by the concurrent registered offering of Registrable Shares pursuant hereto, then the Company may delay or suspend the filing or effectiveness of such Registration Statement for no more than one hundred eighty (180) days and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares.

(ii) If the Company, in its sole discretion, determines that the filing, maintenance of the effectiveness thereof or the fulfillment of any obligation it has hereunder to update, amend or supplement a Registration Statement would be detrimental to the Company, the Company shall have the right to defer the filing of a Registration Statement hereunder or delay or suspend the effectiveness thereof or suspend or delay fulfilling any obligation it has hereunder to update, amend or supplement a Registration Statement for the period for which such act would be detrimental, and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares; provided, however, that such period may not exceed more than forty-five (45) days.

Section 3. Expenses. The Company will pay all Registration Expenses in connection with the registration pursuant to Section 2 of this Addendum, whether or not such registration becomes effective under the Securities Act. Notwithstanding the foregoing, Sellers shall pay all underwriting discounts and commissions, fees and expenses of counsel to the Sellers, and transfer taxes incurred in connection with any registration pursuant to Section 2.

Section 4. Registration Procedures.

(a) With respect to a registration pursuant to Section 2 of this Addendum, the Company, subject to subsection 2(b) above, will use reasonable efforts to promptly effect the registration of the Registrable Shares, and in connection therewith, the Company shall do the following:

(i) prepare and file with the SEC a Registration Statement on or before March 31, 2001, and use reasonable efforts to cause such Registration Statement to become effective;

(ii) prepare and file with the SEC such amendments and post-effective amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continually effective for a period expiring on the earlier of (A) the date there are no longer shares of Common Stock outstanding that constitute Registrable Shares or (B) one (1) year from the Closing Date (as defined in the Stock Purchase Agreement);

(iii) promptly notify Sellers, at any time when a Prospectus relating to Sellers' Registrable Shares covered by the Registration Statement is required to be delivered under the Securities Act, of the occurrence of any event as a result of which the Registration Statement or the Prospectus or any document incorporated therein contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, and the Company shall promptly prepare and file with the SEC and furnish to Sellers a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the Sellers' Registrable Shares, such Prospectus shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) use reasonable efforts to register or qualify the Registrable Shares covered by the Registration Statement for offer and sale under the securities or "blue sky" laws of each state and other U.S. jurisdiction as Sellers reasonably request in writing; however, the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to so qualify, (B) take any action that would subject it to general service of process in any jurisdiction where it would not otherwise be subject to such general service of process, or (C) subject itself to general taxation in any jurisdiction where it would not otherwise be subject; and

(v) use reasonable efforts to cause all Registrable Shares included in such Registration Statement to be listed on the New York Stock Exchange (or any other market on which the Common Stock is then listed).

(b) Sellers, upon receipt of any notice from the Company of the occurrence of any event of the kind described in clause (iii) of subsection 4(a) above, will forthwith discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares until Seller's receipt of the copies of the supplemented or amended Prospectus contemplated by such subsection 4(a) and, if so directed by the Company, Sellers will deliver to the Company all copies, other than permanent file copies then in Sellers' possession, of the most recent Prospectus covering such Sellers' Registrable Shares at the time of receipt of such notice. Seller, upon receipt of any notice from the Company of the issuance of any stop order or blue sky order will forthwith, in the case of any stop order, discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares or, in the case of any blue sky order, discontinue disposition of the Sellers' Registrable Shares in the applicable jurisdiction, until advised in writing of the lifting or withdrawal of such order.

Section 5. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify and hold harmless Sellers, against any and all losses, claims, damages or liabilities, joint or several, and expenses to which any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (i) any materially untrue statement or alleged untrue statement of any material fact contained in any Registration Statement or Prospectus, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; however, the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense (x) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of Sellers specifically for use in the Registration Statement or Prospectus, or (y) results from the fact that a Seller sold Registrable Shares to a Person to whom there was not sent or given, at or before the written confirmation of such sale, a copy of the Prospectus, if the Company had previously made available to such Seller copies thereof and such Prospectus, as then amended or supplemented, corrected such misstatement or omission, or (z) results from a Seller breaching one or more of its obligations hereunder.

(b) *Indemnification by Sellers.* Sellers will indemnify and hold harmless (in the same manner and to the same extent as set forth in subsection 5(a), including, without limitation, clauses (y) and (z) of the proviso set forth therein) the Company and its directors, officers and controlling persons, each other party registering securities under a Registration Statement and each underwriter, dealer manager or similar securities industry professional participating in the distribution of Seller's Registrable Shares and such securities industry professional's respective directors, officers, partners and controlling persons and any other party offering securities under such Registration Statement, (i) with respect to any statement or alleged statement in or omission or alleged omission from such Registration Statement or Prospectus if such statement or alleged statement or omission or alleged omission was made in reliance upon information furnished to the Company by or on behalf of Sellers for use in such Registration Statement or Prospectus, (ii) results from the fact that Sellers sold Sellers' Registrable Shares to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus if the Company had previously furnished copies thereof to Sellers and such Prospectus, as then amended or supplemented, corrected such misstatements or omission, or (iii) results from such Seller breaching one or more of its obligations hereunder. Sellers will reimburse the indemnified parties for any legal or other costs or expenses incurred in connection with defending any such loss, claim, damage, liability, action or proceeding.

(c) *Notice of Claims, etc.* Promptly after receipt by an indemnified party under subsection 5(a) or (b) of notice of any claim or the commencement of any action or proceeding subject to indemnification thereunder, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under either of such subsections, promptly notify the indemnifying party in writing of the claim or the commencement of the action or proceeding; provided that the failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party under subsection 5(a) or (b) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice. If any such claim, action or proceeding shall be brought against an indemnified party, and it shall timely notify the indemnifying party, the indemnifying party shall be entitled to participate in, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim, action or proceeding, the indemnifying party shall not be liable to the indemnified party under, subsection 5(a) or (b) for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; however, such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim, action or proceeding or has failed to employ counsel reasonably satisfactory to such indemnified party in any such claim, action or proceeding, or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such indemnified party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party that are inconsistent or in conflict with those available to the indemnifying party (in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action or proceeding on behalf of such indemnified party), it being understood, however, that the indemnifying party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for such indemnified party and any other indemnified parties similarly situated, which firm shall be designated in writing by such indemnified parties. The indemnifying party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the indemnifying party agrees to indemnify and hold harmless such indemnified parties from and against any loss or liability by reason of such settlement or judgment.

(d) *Contribution.* If the indemnification provided for in subsection 5(a) or (b) is unavailable or insufficient to hold harmless an indemnified party, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in subsection 5(a) or (b), (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and Sellers on the other hand from the sale of the Sellers' Registrable Shares, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and Sellers on the other hand in connection with statements or omissions that resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and Sellers on the other hand shall be deemed to be in the same proportion as the total net proceeds from the issuance and sale of such Registrable Shares (before deducting expenses) received by the Company bear to the total compensation or profit (before deducting expenses) received or realized by Sellers of Sellers' Registrable Shares from the resale of such Registrable Shares. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Sellers of Sellers' Registrable Shares and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and Sellers agree that it would not be just and equitable if contributions pursuant to this subsection 5(d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection 5(d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in the first sentence of this subsection 5(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any claim, action or proceeding (which shall be limited as provided in subsection 5(c) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof) that is the subject of this subsection 5(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding against such party in respect of which a claim for contribution may be made against an indemnifying party under this subsection 5(d), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in subsection 5(c) above has not been given with respect to such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party under this subsection 5(d) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice.

Section 6. *Miscellaneous.*

(a) *Amendments and Waivers.* No waiver, amendment, modification or supplement of any provision of this Addendum, including this subsection 6(a), shall be valid unless it is approved in writing by the Company and the Sellers' Representative.

(b) *Assignment.* Sellers shall not be entitled to assign or transfer any or all of their rights under this Addendum, whether by operation of law or otherwise.

(c) *Termination.* The provisions of this Addendum will terminate with respect to a Seller's Registrable Shares, other than the provisions of Section 5 hereof, which will survive any such termination, as to a Seller when he or she ceases to own Registrable Shares.

STOCK ACQUISITION AGREEMENT

This STOCK ACQUISITION AGREEMENT, dated as of January 13, 2001 (this "Agreement"), is made and entered into by and among BROWN & Brown, Inc., a Florida corporation ("Buyer"), and THOMAS K. HUVAL, a resident of the State of Louisiana, KATHRYN H. PONTIFF, a resident of the State of Louisiana, DALE F. HUVAL, a resident of the State of Louisiana, MARK W. GAGNARD, a resident of the State of Louisiana, and DIANNE FLORES, a resident of the State of Louisiana (each a "Shareholder" and collectively, the "Shareholders").

Background

The Shareholders own all of the outstanding capital stock of Self Insurance Administrators, Inc., a Louisiana corporation (the "Company"). The Company is engaged primarily in the insurance agency business in Lafayette, Louisiana. The Shareholders wish to transfer all of the outstanding shares of each of the Company to Buyer, and Buyer desires to acquire such shares, upon the terms and conditions expressed in this Agreement. It is the intent of the parties that this transaction qualify for accounting purposes as a pooling-of-interests transaction and as a tax-free exchange under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

THEREFORE, in consideration of the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follow:

Article 1

The Acquisition

Section 1.1 *Acquisition and Transfer of Shares.* On and subject to the terms and conditions of this Agreement, Buyer agrees to acquire all of the issued and outstanding shares of capital stock of the Company, as more fully set forth in Schedule 3.3 (collectively, the "Company Shares"), from the Shareholders and the Shareholders agree to transfer all of the Company Shares to Buyer, free and clear of all liens and encumbrances. The Company Shares shall be transferred to Buyer for the consideration specified in Section 1.2.

Section 1.2 *Consideration.* The consideration for the Company Shares shall be the issuance of shares of common stock of Buyer to the Shareholders. The number of shares of common stock of Buyer to be issued to the Shareholders shall be 56,215 (the "Buyer Shares"), which is an amount, rounded to the nearest whole number, equal to (a) \$1,872,183.63 (the "Purchase Price"), divided by (b) \$33.3042 (the "Average Price").

Section 1.3 *Delivery of Buyer Shares.* (a) The Buyer Shares shall be issued to the Shareholders as follows:

(i) ten percent (10%) of the Buyer Shares shall be pledged to Buyer as partial security for the indemnification obligations of the Shareholders under Article 8 hereof (the "Pledged Shares"). These Pledged Shares, subject to any reduction in number as may be necessary to satisfy the Shareholders' indemnification obligations, shall be delivered to the Shareholders one (1) year after the Closing Date, in accordance with the terms of the Pledge Agreement attached hereto as Exhibit 2.2(a)(iii).

(ii) The remainder of the Buyer Shares shall be delivered to the Shareholders at the Closing (as defined in Section 2.1 hereof). The total number of Buyer Shares to be issued to the Shareholders will be issued as follows: (A) twenty-three and thirty-three one-hundredths percent (23.33%) of the shares will be issued to each of Thomas K. Huval and Dale F. Huval; (B) twenty-three and thirty-four one-hundredths percent (23.34%) percent of the shares will be issued to Kathryn H. Pontiff; (C) twenty percent (20%) of the shares will be issued to Mark W. Gagnard; and (D) ten percent (10%) of the shares will be issued to Dianne Flores.

(b) The parties agree that the dollar value of each Buyer Share shall be the Average Price for all purposes in determining (i) the number of Buyer Shares to be issued under Section 1.2 hereof, (ii) the number of Buyer Shares to be pledged under this Section 1.3, or (iii) the number of Pledged Shares Buyer may withhold to satisfy an indemnifiable claim, notwithstanding the actual market value of such shares (in each case with respect to clauses (i), (ii) or (iii), as adjusted for any stock splits or stock dividends).

Section 1.4 *Accounting and Tax Treatment.* The parties agree (a) to structure this transaction as a tax-free exchange, and (b), as more fully described in Section 9.6 to this Agreement, to treat this transaction for accounting purposes as a pooling-of-interests transaction and to take all actions necessary to characterize the transaction as such.

Section 1.5 *Registration of Buyer Shares.* The Shareholders and Buyer shall have the rights and obligations set forth in the Registration Rights Addendum attached hereto with respect to the registration of the Buyer Shares for sale and other matters addressed therein.

Article 2

Closing, Items to be Delivered,

Further Assurances, and Effective Date

Section 2.1 Closing. The consummation of transactions contemplated under this Agreement (the "Closing") will take place at 9 a.m., local time, on January 13, 2001 (the "Closing Date"), at the offices of Huval Insurance Agency, Inc., located at 102 Asma Boulevard, Suite 300, Lafayette, Louisiana 70508, unless another date or place is agreed to in writing by the parties hereto.

Section 2.2 Closing Obligations. At the Closing:

(a) The Shareholders will deliver to Buyer:

(i) certificates representing the Company Shares to Buyer, properly endorsed for transfer or with executed stock powers attached, for transfer to Buyer;

(ii) a release in the form of Exhibit 2.2(a)(ii), executed by each of the Shareholders (the "Release");

(iii) a pledge agreement in the form of Exhibit 2.2(a)(iii), executed by each of the Shareholders (the "Pledge Agreement"), along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares;

(iv) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Shareholders' Counsel");

(v) employment agreements in the form of Exhibit 2.2(a)(v), executed by those Shareholders to whom Buyer has offered employment (collectively, "Shareholder Employment Agreements");

(vi) evidence to Buyer's satisfaction that the Company has terminated all of its Employee Benefits Plans (other than Employee Welfare Benefit Plans), with such termination effective prior to the Closing Date; and

(b) Buyer shall deliver to the Shareholders:

(i) certificates representing the number of Buyer Shares to be issued to the Shareholders at the Closing pursuant to Section 1.3(b) hereof;

(ii) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Buyer's Counsel"); and

(iii) the Shareholder Employment Agreements, executed by Buyer.

Section 2.4 Mutual Performance. At or prior to the Closing, the parties hereto shall also deliver to each other the agreements, certificates, and other documents and instruments referred to in Articles 6 and 7 hereof.

Section 2.5 Third Party Consents. To the extent that the Company Shares may not be transferred to Buyer hereunder without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to transfer the same if an attempted transfer would constitute a breach thereof or be unlawful, and the Shareholders, at their expense, shall use their best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted transfer would be ineffective or would impair Buyer's rights so that Buyer would not in effect acquire the benefit of all such rights, the Shareholders, to the maximum extent permitted by law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Section 2.6 Further Assurances. From time to time after the Closing, the Shareholders will execute, acknowledge and deliver to Buyer such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably request in order to vest more effectively in Buyer, or to put Buyer more fully in possession of, the Company Shares. Each of the parties hereto will cooperate with the others and execute and deliver to the other parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

Section 2.7 Effective Date. The Effective Date of this Agreement and all related instruments executed at the Closing shall be the Closing Date.

Article 3

Representations and Warranties of the Shareholders

The Shareholders represent and warrant to Buyer as follows:

Section 3.1 Organization. The Company is a corporation organized and in good standing under the laws of Louisiana and its status is active. The Company has all requisite corporate power and authority and all necessary governmental approvals to

own, lease, and operate its properties and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the conduct of its insurance agency business requires it to be so qualified.

Section 3.2 Authority. The Shareholders have the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Shareholders and constitutes their valid and binding obligation, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect which offset creditors' rights generally, and general equitable principles.

Section 3.3 Capitalization. Schedule 3.3 sets forth the number and par value of the shares that each of the Shareholders holds in the Company. Collectively, the Company Shares constitute all of the issued and outstanding shares of capital stock of the Company. All of the Company Shares have been duly issued and are fully paid and nonassessable. All of the Company Shares are owned and held by the Shareholders, free and clear of all liens, encumbrances or other third-party rights of any kind whatsoever. There are no outstanding agreements, options, rights or privileges, whether preemptive or contractual, to acquire shares of capital stock or other securities of any of the Company.

Section 3.4 Corporate Records. The Shareholders have delivered to Buyer correct and complete copies of the Articles of Incorporation and Bylaws of each Company, each as amended to date. The minute books containing the records of meetings of the shareholders, board of directors, and any committees of the board of directors, the stock certificate books, and the stock record books of each Company are correct and complete and have been made available for inspection by Buyer. The Company is not in default under or in violation of any provision of its Articles of Incorporation or Bylaws.

Section 3.5 Consents and Approvals; No Violations. Neither the execution, delivery or performance of this Agreement by the Shareholders nor the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will (a) except with respect to any options or rights of first refusal in favor of the Company (which options or rights the Shareholders shall cause the Company to reject prior to Closing), conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of the Company, (b) except for any necessary filings with the Louisiana Secretary of State or Department of Insurance, require any filing with, or permit, authorization, consent, or approval of, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority or agency (each a "Governmental Entity"), (c) except with respect to certain indebtedness which shall be paid off in connection with the Closing, result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions, or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which any of the Shareholders or the Company is a party or by which any of the Shareholders or the Company or any of their respective properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Shareholders or the Company, or any of their respective properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect on the Company or Buyer's ownership of the Company Shares.

Section 3.6 No Third Party Options. There are no existing agreements, options, commitments, or rights with, of or to any person to acquire any of the Company's securities, assets, properties or rights, or any interests therein.

Section 3.7 Financial Statements. The Shareholders have delivered to Buyer true and complete copies of the Company's consolidated balance sheet as of December 31, 2000 (the "Balance Sheet Date") and the related statement of income for the twelve (12) months then ended, all of which have been prepared in accordance with generally accepted accounting principles, consistently applied throughout the periods involved. Such balance sheets fairly present the consolidated financial position, assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company at the dates indicated and such statements of income fairly present the results of operations for the periods then ended. The Company's financial books and records are accurate and complete in all material respects.

Section 3.8 Absence of Certain Changes. Since the Balance Sheet Date, there have been no events or changes having a material adverse effect on the assets, liabilities, financial condition or operations of the Company or, to the Shareholders' or the Company's Knowledge (as defined in Section 10.2 of this Agreement), on the future prospects of the Company. Since the Balance Sheet Date, no Company has made any distributions or payments to any of the Shareholders (other than normal compensation that may have been paid to the Shareholders in their capacity as bona fide employees) and has not entered into any agreements other than in the ordinary course of business. Since the Balance Sheet Date, each Company has carried on business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and has not taken any unusual actions in contemplation of this transaction except to the extent that Buyer has given its prior specific consent.

Section 3.9 Assets. (a) Except as set forth in Schedule 3.9(a)-(1), the Company owns and holds, free and clear of any lien, charge, pledge, security interest, restriction, encumbrance or third-party interests of any kind whatsoever (including insurance company payables), sole and exclusive right, title, and interests in and to the customer expiration records for those customers listed in Schedule 3.9(a)-(2), together with the exclusive right to use such records and all customer accounts, copies of insurance policies and contracts in force, and all files, invoices and records pertaining to the customers, their contracts and insurance policies, and all related information. All customer accounts listed in Schedule 3.9(a)-(2) represent current customers of the Company and none of such accounts has been cancelled or transferred as of the date hereof.

(b) The name "The Huval Companies" is the only trade name used by the Company within the past three (3) years. No party has filed a claim during the past three (3) years against the Company alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party, or, if so, the claim has been settled with no existing liability to the Company and, to the Knowledge of the Shareholders or the Company, the Company has not violated or infringed any trademark, trade name, service mark, service name, patent, copyright or trade secret held by others.

(c) The computer software of the Company performs in a manner sufficient to operate the businesses of the Company as such businesses have historically been operated. The Shareholders have delivered to Buyer complete and correct copies of all user and technical documentation related to such software.

(d) The Company owns or leases all tangible assets necessary for the conduct of its business. All equipment, inventory, furniture and other assets owned or used by the Company in its business are in a state of good repair and maintenance, having regard for the purposes of which they are used, and the purposes for which such assets are used and for which they are held by the Company are not in violation of any statute, regulation, covenant or restriction. The Company owns or leases all office furniture, fixtures and equipment in its respective office locations.

(e) All notes and accounts receivables of the Company are reflected properly on its books and records, are valid receivables subject to no set-offs or counterclaims either asserted to date or of which the Shareholders or the Company has Knowledge, are presently current and collectible, net of reserves for bad debt, and will be collected in accordance with their terms at their recorded amounts. All of the Company's accounts payable, including accounts payable to insurance carriers, are current and reflected properly on the Company's books and records, and will be paid in accordance with their terms at their recorded amounts.

Section 3.10 *Undisclosed Liabilities.* The Company has no liabilities, and, to the Shareholders' or the Company's Knowledge, there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand against the Company giving rise to any liability, except (a) those liabilities reflected in the December 31, 2000 consolidated balance sheet of the Company, (b) liabilities which have arisen after the Balance Sheet Date in the ordinary course of business (none of which relates to any claim asserted with respect to any breach of contract, breach of warranty, tort, infringement, or violation of law, or arose from any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand), or (c) Incurred-But-Not-Reported (IBNR) health insurance claims by any plan participants. The Company has not guaranteed the obligations of any third party, including, without limitation, guarantees relating to premium financing on behalf of its customers.

Section 3.11 *Litigation and Claims.* Except as disclosed in Schedule 3.11, there is no suit, claim, action, proceeding or investigation pending or, to the Shareholders' or the Company's Knowledge, threatened against the Company, and there is no basis for such a suit, claim, action, proceeding or investigation. The Company is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have an adverse effect on the Company or would prevent the Shareholders from consummating the transactions contemplated hereby. No voluntary or involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to the Shareholders or the Company has been filed by or, to the Knowledge of the Shareholders or the Company, against the Shareholders or the Company, nor will the Shareholders or the Company file such a petition prior to the Closing Date or for one hundred (100) days thereafter, and if such petition is filed by others, the same will be promptly discharged. Each of the Shareholders is solvent on the date hereof and will be solvent on the Closing Date. Neither the Shareholders nor the Company has, and at the Closing Date will not have, made any assignment for the benefit of creditors, or admitted in writing insolvency or that its property at fair valuation will not be sufficient to pay its debts, nor will the Shareholders permit any judgment, execution, attachment, or levy against them or their properties to remain outstanding or unsatisfied for more than ten (10) days.

Section 3.12 *Compliance with Applicable Law.* The Company holds all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities necessary for the lawful conduct of its business (collectively, the "Permits"). The Company is in compliance with the terms of the Permits, except where the failure to comply would not have an adverse effect. The Company is not conducting business in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have an adverse effect on its business. As of the date of this Agreement, no investigation or review by any Governmental Entity with respect to the Company is pending or, to the Knowledge of the Shareholders or the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same.

Section 3.13 *Tax Returns and Audits.* The Company has timely filed all federal, state, local and foreign tax returns required to be filed by it or has paid or made provision for the payment of any penalty or interests arising from the late filing of any such return, has correctly reflected all taxes required to be shown thereon, and the Company has fully paid or made adequate provision for the payment of all taxes that have been incurred or are due and payable pursuant to such returns or pursuant to any assessment with respect to taxes in such jurisdictions, whether or not in connection with such returns. There are no circumstances or pending questions relating to Known potential tax liabilities nor claims asserted for taxes or assessments of the Company that, if adversely determined, could result in a tax liability arising out of any pre-Closing actions, omissions or other circumstances that may be assessed during any period prior to, including, or beginning after the Closing Date or on the Company's pre-Closing practices in computing or reporting taxes. To the Shareholders' or the Company's Knowledge, no federal income tax or information return for the Company is currently the subject of an audit

by the Internal Revenue Service. The Company has not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

Section 3.14 *Contracts.* (a) Schedule 3.14 lists all material contracts, agreements and other written arrangements to which the Company is a party, including, without limitation, the following:

(i) any written arrangement (or group of written arrangements) for the furnishing or receipt of services that calls for performance over a period of more than one (1) year;

(ii) any written arrangement concerning a partnership or joint venture;

(iii) any written arrangement (or group of written arrangements) under which the Company has created, incurred or assumed or may create, incur or assume indebtedness (including capitalized lease obligations) involving more than \$10,000 or under which it has imposed (or may impose) a security interest on any of its assets, tangible or intangible;

(iv) any employment agreement;

(v) any written arrangement concerning confidentiality or non-competition;

(vi) any written arrangement involving the Company and its present or former affiliates, officers, directors or shareholders;

(vii) any written arrangement under which the consequences of a default or termination could have a material adverse effect on the assets, liabilities, business, financial condition, operations or future prospects of the Company; or

(viii) any other written arrangement (or group of related arrangements) either involving more than \$10,000 or not entered into in the ordinary course of business.

(b) The Company is not a party to any verbal contract, agreement or other arrangement which, if reduced to written form, would be required to be listed in Schedule 3.14. The Shareholders have delivered to Buyer a correct and complete copy of each written arrangement, as amended to date, listed in Schedule 3.14. Each such contract, agreement and written arrangement is valid and enforceable in accordance with its terms, and no party is in default under any provision thereof.

Section 3.15 *Non-Solicitation Covenants.* The Company is not a party to any agreement that restricts its ability to compete in the insurance agency industry or solicit specific insurance accounts.

Section 3.16 *Insurance Policies.* Schedule 3.16 sets forth a complete and correct list of all insurance policies held by the Company with respect to its business, and true and complete copies of such policies have been delivered to Buyer. The Company has complied with all the provisions of such policies and the policies are in full force and effect.

Section 3.17 *Errors and Omissions.* The Company has not incurred any liability or taken or failed to take any action that may reasonably be expected to result in a liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance. All errors and omissions lawsuits and claims currently pending or threatened against the Company are set forth in Schedule 3.11. The Company has errors and omissions (E&O) insurance coverage in force, with minimum liability limits of \$3 million per claim and \$6 million aggregate, with a deductible of \$10,000 per claim and \$10,000 aggregate, and the Shareholders will provide to Buyer a certificate of insurance evidencing such coverage prior to or on the Closing Date. The Company has had the same or higher levels of coverage continuously in effect for at least the past five (5) years (or, if a period shorter than five (5) years, since the Company's inception).

Section 3.18 *Employees.* Except as disclosed in Schedule 3.14, all employees of the Company are employees at will, and the Company is not a party to any written contract of employment. None of the Company's employees is currently being treated for a major medical condition.

Section 3.19 *Employee Benefit Plans.* Schedule 3.19 lists each Employee Benefit Plan (as defined below) that the Company or any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (as defined below) (a "Company ERISA Affiliate") maintains or to which the Company or the Company ERISA Affiliate contributes.

(a) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all respects with the applicable requirements of ERISA, the Code, and other applicable laws. No such Employee Benefit Plan is under audit by the Internal Revenue Service or the Department of Labor.

(b) All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-1s, and summary plan descriptions) have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA and of Code Section 4980B have been met with respect to each such Employee Benefit Plan that is an "Employee Welfare Benefit Plan" as such term is defined in ERISA Section 3(1).

(c) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been paid to each such Employee Benefit Plan that is an "Employee Pension Benefit Plan" as such term is defined in ERISA Section 3(2), and all contributions for any period ending on or before the Closing Date that are not yet due have been paid to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Company.

All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(d) Each such Employee Benefit Plan that is an Employee Pension Benefit Plan meets the requirements of a "qualified plan" under Code Section 401(a) and has received, within the last two (2) years, a favorable determination letter from the Internal Revenue Service.

(e) The market value of assets under each such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any "Multiemployer Plan" as such term is defined in ERISA Section 3(37)) equals or exceeds the present value of all vested and nonvested liabilities thereunder determined in accordance with Pension Benefit Guaranty Corporation ("PBGC") methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(f) The Company has delivered to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements that implement each such Employee Benefit Plan.

(g) With respect to each Employee Benefit Plan that the Company or the Company ERISA Affiliate maintains or ever has maintained or to which it contributes, ever has contributed, or ever has been required to contribute:

(i) No such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a "Reportable Event" (as such term is defined in ERISA Section 4043) as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the Knowledge of the Shareholders or the Company, threatened.

(ii) There have been no "Prohibited Transactions" as defined in ERISA Section 406 and Code Section 4975 with respect to any such Employee Benefit Plan. No "Fiduciary" as defined in ERISA Section 3(21) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of the Shareholders or the Company, threatened. None of the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any Knowledge of any basis for any such action, suit, proceeding, hearing, or investigation.

(iii) The Company has not incurred, and none of the Company, the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any reason to expect that the Company shall incur, any liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability) or under the Code with respect to any such Employee Benefit Plan that is an Employee Pension Benefit Plan.

(iv) Neither the Company nor the Company ERISA Affiliate contributes to, nor has ever been required to contribute to, any Multiemployer Plan or has any liability (including withdrawal liability) under any Multiemployer Plan.

(v) Neither the Company nor the Company ERISA Affiliate maintains or contributes, nor has ever maintained or contributed, or has ever been required to contribute to any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Code Section 4980B).

As used in this Agreement, the term "Employee Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan or material fringe benefit plan or program.

Section 3.20 *Intellectual Property.*

(a) The Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property (as defined below) necessary or desirable for the operation of the businesses of the Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by the Company immediately prior to the Closing hereunder shall be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder. Each Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that it owns or uses.

(b) No Company has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and none of the Shareholders and the directors and officers (and employees with responsibility for Intellectual Property matters) of the Company has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the

Shareholders or the Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Company.

(c) No Company has any patents issued in its name, or patent applications filed or pending. Schedule 3.20(c) identifies each license, agreement, or other permission the Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). The Shareholders have delivered to Buyer correct and complete copies of all such registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Schedule 3.20(c) also identifies each trade name and registered or unregistered trademark or service mark used by the Company. With respect to each item of Intellectual Property required to be identified in Schedule 3.20(c):

(i) the Company possesses all right, title, and interest in and to the item, free and clear of any security interest, license, or other restriction;

(ii) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and

(iv) the Company has never agreed to indemnify any person or entity for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(d) Schedule 3.20(d) identifies each item of Intellectual Property that any third party owns and that the Company uses pursuant to license, sublicense, agreement, or permission. The Shareholders have delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Schedule 3.20(d):

(i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(ii) the license, sublicense, agreement, or permission shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article 2 above);

(iii) no party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred that with notice or default or permit termination, modification, or acceleration thereunder;

(iv) no party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(v) with respect to each sublicense, the representations and warranties set forth in clauses (i) through (iv) above are true and correct with respect to the underlying license;

(vi) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(vii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of the Shareholders or the Company, is threatened that challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(viii) Such Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(e) To the Knowledge of the Shareholders or the Company, no Company shall interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of the continued operation of its businesses as presently conducted and as presently proposed to be conducted.

As used in this Agreement the term "Intellectual Property" means (A) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (B) all trademarks, service marks, trade dress, logos, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (C) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (D) all mask works and all applications, registrations, and renewals in connection therewith, (E) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (F) all computer software (including data and related documentation), (G) all other proprietary rights, and (H) all copies and tangible embodiments thereof (in whatever form or medium).

Section 3.22 *Environment, Health, and Safety.*

(a) Each Company and its predecessors and affiliates have complied with all Environmental, Health, and Safety Laws (as defined below), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply. Without limiting the generality of the preceding sentence, each Company and its predecessors and affiliates has obtained and been in compliance with all of the terms and conditions of all permits, licenses, and other authorizations that are required under, and has complied with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables that are contained in, all Environmental, Health, and Safety Laws.

(b) The Company has no liability (and neither the Company or its predecessors and affiliates has handled or disposed of any substance, arranged for the disposal of any substance, exposed any employee or other individual to any substance or condition, or owned or operated any property or facility in any manner that could form the basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against the Company giving rise to any liability) for damage to any site, location, or body of water (surface or subsurface), for any illness of or personal injury to, any employee or other individual, or for any reason under any Environmental, Health, and Safety Law.

(c) All properties and equipment used in the business of each Company and its predecessors and affiliates have been free of asbestos, polychlorinated biphenyls (PCBs), methylene chloride, trichloroethylene, 1, 2-trans-dichloroethylene, dioxins, dibenzofurans, and Extremely Hazardous Substances (as defined below).

(d) As used in this Agreement, the term:

(i) "Environmental, Health, and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Occupational Safety and Health Act of 1970, each as amended, together with all other laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, public health and safety, or employee health and safety, including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes;

(ii) "Extremely Hazardous Substance" has the meaning set forth in Section 302 of the Emergency Planning and Community Right-to-Know Act of 1986, as amended; and

(iii) "Hazardous Materials" means any "toxic substance" as defined in 15 U.S.C. Section 2601 *et seq.* on the date hereof, including materials designated on the date hereof as "hazardous substances" under 42 U.S.C. Section 9601 *et seq.* or other applicable laws, and toxic, radioactive, caustic, or otherwise hazardous substances, including petroleum and its derivatives, asbestos, PCBs, formaldehyde, chlordane and heptachlor.

Section 3.22 Accounting Matters. To the Knowledge of the Shareholders or the Company, no "Affiliate" (as defined below) of the Company has, during a period of thirty (30) days prior to the date of this Agreement, sold, pledged, hypothecated, or otherwise transferred or encumbered any capital stock of the Company held by such Affiliate. For purposes of this Agreement, the term "Affiliate" means any officer, director, or owner of ten percent (10%) or more of the voting capital stock of the Company.

Section 3.23 Securities Law Representations. (a) The Shareholders were granted access to the business premises, offices, properties, and business, corporate and financial books and records of Buyer. The Shareholders were permitted to examine the foregoing records, to question officers of Buyer, and to make such other investigations as they considered appropriate to determine or verify the business and financial condition of Buyer. Buyer furnished to the Shareholders all information regarding its business and affairs that the Shareholders requested, including, without limitation, (i) Buyer's annual report on Form 10-K for the year ended December 31, 1999, (ii) Buyer's Annual Report to Shareholders for the year ended December 31, 1999, (iii) the Proxy Statement for Buyer's 2000 Annual Meeting of Shareholders, and (iv) Buyer's quarterly reports on Form 10-Q for the three (3) months ended March 31, June 30, and September 30, 2000, respectively.

(b) Each Shareholder recognizes that the Buyer Shares will, when issued, not be registered under the Securities Act of 1933, as amended (the "Securities Act") and will therefore, unless and until a registration statement with respect to the Buyer Shares is declared effective by the Securities and Exchange Commission (the "SEC"), constitute "restricted securities" as defined pursuant to Rule 144(a)(3) under the Securities Act under which means, among other things, that the Shareholders generally will not be able to sell the Buyer Shares for a period of at least one (1) year following the Closing Date, and may not be sold, offered for sale, transferred, pledged, hypothecated or otherwise disposed of except in compliance with the Securities Act, as such, by way of illustration but without limitation, in compliance the safe harbor provisions of Rule 144; further, the legal consequences of the foregoing mean that the Shareholder must bear the economic risk of the investment in the Buyer Share for an indefinite period of time; further, if the Shareholder desires to sell or transfer all or any part of the Buyer Shares, Buyer may require the Shareholder's counsel to provide a legal opinion that the transfer may be made without registration under the Securities Act; further, other restrictions discussed elsewhere herein may be applicable; further, the Shareholder is subject to the restriction on transfer described herein and Buyer will issue stop transfer orders with Buyer's transfer agent to enforce such restrictions; further, the Buyer Shares will bear a legend restricting transfer; and further, the following paragraph, or language substantially equivalent thereto, will be inserted in or stamped on the certificates evidencing the same:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SHARES HAVE BEEN ACQUIRED FOR INVESTMENT. THIS STOCK MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THE SAME UNDER THE SECURITIES ACT OF 1933 OR OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE SECURITIES LAWS.

(c) Because of their considerable knowledge and experience in financial and business matters, each of the Shareholders is able to evaluate the merits, risks, and other factors bearing on the suitability of the Buyer Shares as an investment. Each of the Shareholders, individually or by virtue of a "purchaser representative" (as defined pursuant to Rule 501(h) under the Securities Act), qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act .

(d) Each Shareholder's annual income and net worth are such that he or she would not now be, and does not contemplate being, required to dispose of any investment in the Buyer Shares, including the risk of losing all or any part of his investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Buyer Shares for an indefinite period.

(e) The Shareholder's acquisition of the Buyer Shares will be solely for his own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Section 3.24 *No Misrepresentations.* None of the representations and warranties of the Shareholders set forth in this Agreement or in the attached Schedules, notwithstanding any investigation thereof by Buyer, contains any untrue statement of a material fact, or omits the statement of any material fact necessary to render the statements made not misleading.

Article 4

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders as follows:

Section 4.1 *Organization.* Buyer is a corporation organized under the laws of Florida and its status is active. Buyer has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect.

Section 4.2 *Authority.* Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles.

Section 4.3 *Consents and Approvals; No Violations.* Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of Buyer, (b) require any filing with, or permit authorization, consent, or approval of, any Governmental Entity, except where the failure to obtain such permits, authorizations, consents, or approvals or to make such filings would not have a material adverse effect, (c) result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which Buyer is a party or by which Buyer or its properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect.

Section 4.4 *SEC Reports and Financial Statements.* Buyer has filed with the SEC, and has heretofore made available to the Shareholders true and complete copies of all forms, reports, schedules, statements and other documents required to be filed by it since December 31, 1999 under the Securities Exchange Act of 1934 (the "Exchange Act") or the Securities Act (as such documents have been amended since the time of their filing, collectively, the "Buyer SEC Documents"). The Buyer SEC Documents, including without limitation any financial statements and schedules included therein, at the time filed, (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, and the applicable rules and regulations of the SEC thereunder. The financial statements

of Buyer included in the Buyer SEC Documents comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited statements, to normal, recurring audit adjustments) the consolidated financial position of Buyer and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended.

Section 4.5 *Absence of Certain Changes.* Except as disclosed in the Buyer SEC Documents, since December 31, 1999, there have been no events, changes or events having, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.6 *No Undisclosed Liabilities.* Except as and to the extent set forth in Buyer's Quarterly Report on Form 10-Q for the period ended September 30, 2000, as of September 30, 2000, Buyer had no liabilities or obligations, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of Buyer and its subsidiaries. Since September 30, 2000, Buyer has not incurred any liabilities, whether or not accrued, contingent or otherwise, outside the ordinary course of business or that would have, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.7 *Litigation.* Except as disclosed in the Buyer SEC Documents filed prior to the date of this Agreement, there is no suit, claim, action, proceeding or investigation pending or, to the best Knowledge of Buyer, threatened against Buyer or any of its subsidiaries before any Governmental Entity that, individually or in the aggregate, is reasonably likely to have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated by this Agreement. Except as disclosed in the Buyer SEC Documents, neither Buyer nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated hereby.

Section 4.8 *Accounting Matters.* To the best Knowledge of Buyer, neither Buyer nor any of its affiliates has through the date of this Agreement taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by the Company or any of its affiliates) would prevent the parties from accounting for the transaction to be effected by this Agreement as a pooling of interests.

Section 4.9 *Errors and Omissions.* Buyer has not incurred any material liability or taken or failed to take any action that may reasonably be expected to result in a material liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance and those disclosed in the Buyer SEC Documents. Buyer has errors and omission (E&O) insurance coverage in force, with minimum liability limits of \$35,000,000.00 per occurrence and \$35,000,000.00 aggregate, with a deductible of \$250,000.00.

Section 4.10 *Securities Law Representations.* (a) Buyer was granted access to the business premises, offices, properties, and business, corporate and financial books and records of the Company. Buyer was permitted to examine the foregoing records, to question officers of the Company, and to make such other investigations as it considered appropriate to determine or verify the business and financial condition of the Company. The Shareholders furnished to Buyer all information regarding the business and affairs of the Company that Buyer requested.

(b) Because of its considerable knowledge and experience in financial and business matters, Buyer is able to evaluate the merits, risks, and other factors bearing on the suitability of the Company Shares as an investment. Buyer qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act.

(c) Buyer's annual income and net worth are such that it would not now be, and does not contemplate being, required to dispose of any investment in the Company Shares, including the risk of losing all or any part of its investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Company Shares for an indefinite period. Buyer recognizes that the Company Shares will not be registered under the Securities Act of 1933 and will therefore constitute "restricted securities," which means, among other things, that Buyer generally will not be able to sell the Company Shares for a period of at least one (1) year following the Closing Date.

(d) Buyer's acquisition of the Company Shares will be solely for its own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Article 5

[INTENTIONALLY OMITTED]

Article 6

Additional Agreements

Section 6.1 *Access to Information.* Upon reasonable notice, the Shareholders shall cause the Company to afford to the officers, employees, accountants, counsel, and other authorized representatives of Buyer full access, during the period prior to the Closing Date, to all of the properties, books, contracts, commitments, records, and senior management of the

Company. Unless otherwise required by law, Buyer will hold any such information that is nonpublic in confidence, will not use such information in its business if the transaction does not close, and will promptly return such information if the transaction does not close. After the Closing, upon reasonable notice, Buyer shall cause the Company to afford to the Shareholders and their accountants, counsel and other authorized representatives of the Shareholders reasonable access to the properties, books, contracts, commitments, and records of the Company. Unless otherwise required by law or if necessary to do so in connection with any legal proceeding, or if required by any government or governmental agency or authority, the Shareholders will hold any such information that is nonpublic in confidence; provided, however, that nothing in this Section 6.1 shall be deemed or construed to impair or otherwise limit those covenants set forth in Section 6.13 hereof.

Section 6.2 Expenses. Whether or not the transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by Buyer, for itself, or the Company, on behalf of the Shareholders, for such incurred expenses.

Section 6.3 Brokers or Finders. Each of the parties represents, as to itself, its subsidiaries and its affiliates, that no agent, broker, investment banker, financial advisor, or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, and each of the parties agrees to indemnify and hold the others harmless from and against any and all claims, liabilities, or obligations with respect to any fees, commissions, or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate.

Section 6.4 Additional Agreements; Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties agrees to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including cooperating fully with the other parties.

Section 6.5 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Company (as such term is defined in Section 3.22 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.5 Non-Competition Covenants. Each of the Shareholders agrees that he or she shall not, directly or indirectly, for a period of two (2) years beginning on the Closing Date, engage in, or be or become the owner of an equity interest in, or otherwise consult with, be employed by, or participate in the business of, any entity (other than Buyer or the Company) engaged in the insurance agency business within the following Louisiana parishes: Acadia, Iberia, Lafayette, Lincoln, Saint Landry, Saint Martin, or Vermilion. The Shareholders acknowledge that the confidentiality and non-solicitation covenants to be contained in any employment agreements they may enter into with Buyer will be in addition to, and will not supersede or be subordinate to, the non-competition covenants contained in this Section 6.5. Notwithstanding anything in this Section 6.5, (a) the servicing by Dale F. Huval of any insurance or bond business of any kind for those accounts or customers of Huval Richard Insurance Agency, Inc. set forth in Schedule 3.9(a)-(2) (the "Richard Accounts") or (b) any indirect remuneration by Thomas K. Huval or Kathryn H. Pontiff in connection with the Richard Accounts, shall not be deemed a breach of this Section 6.5.

Section 6.6 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Companies (as such term is defined in Section 3.23 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.7 Remedy for Breach of Covenants. In the event of a breach of the provisions of Section 6.5 or 6.6, Buyer and the Company shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of competent jurisdiction declare the covenants set forth in Section 6.5 or 6.6 unenforceable due to a unreasonable restriction, duration, geographical area or otherwise, the parties agree that such court shall be empowered and shall grant Buyer, the Company and their affiliates injunctive relief to the extent reasonably necessary to protect their respective interests. The Shareholders acknowledge that the covenants set forth in Sections 6.5 and 6.6 represent an important element of the value of the Company Shares and were a material inducement for Buyer to enter into this Agreement.

Section 6.8 Errors and Omissions Tail Coverage. On or prior to the Closing Date, the Shareholders shall cause the Company to purchase, at the Company's expense, a tail coverage extension on each Company's errors and omissions insurance policy. Such coverage shall extend for a period of at least three (3) years from the Closing Date, shall have the same coverages and deductibles currently in effect, and shall otherwise be in form reasonably acceptable to Buyer. A certificate of insurance evidencing such coverage shall be delivered to Buyer at or prior to Closing.

Section 6.9 Release. The Shareholders each agree on the Closing Date to execute and deliver the Release.

Section 6.10 Pledge Agreement. The parties agree on the Closing Date to enter into the Pledge Agreement.

Section 6.11 *Shareholder Employment Agreements.* Buyer and each of the Shareholders agree on the Closing Date to enter into the respective Shareholder Employment Agreements.

Section 6.12 *Confidentiality.* The parties agree to maintain the existence of this transaction and the terms hereof in confidence, until the earliest of the following circumstances occurs: (a) the parties mutually agree to release such information to the public; (b) Buyer or the Shareholders reasonably concludes that such disclosure is required by law; or (c) the Closing has occurred and ownership of the Company Shares has passed to Buyer.

Section 6.13 *Preparation of Tax Return.* The Shareholders recognize that a year-to-date income tax return must be prepared and filed for each Company as a result of this transaction and that the Shareholders are primarily responsible for causing the preparation of this return; provided, however, that Buyer shall cause the Company to provide the Shareholders and their authorized representatives with reasonable access to the Company's books and records in order to prepare such return. The Shareholders therefore agree to cause the preparation of these returns in accordance with federal filing requirements, at the Company's expense, and deliver them to the Company in advance to review and file. Buyer and the Company shall be solely responsible for any changes they make to the returns prepared by the Shareholders.

Section 6.14 *Removal of Restrictive Legend.* Upon the Shareholders' written request, at the expiration of the applicable waiting period under Rule 144 (or if and when successfully registered for resale with the SEC), Buyer shall instruct its transfer agent to remove any restrictive legends on those certificates issued to the Shareholders evidencing the Buyer Shares.

Section 6.15 *Release of Personal Guarantees.* As of Closing, the Shareholders shall be deemed to be released from any personal guarantees made by such Shareholders with respect to any obligation of the Company. Buyer shall cooperate to have such Shareholders released by the Company's creditors from any such personal guarantees and shall indemnify such Shareholders from any Adverse Consequences (as defined in Section 8.2 hereof) arising from such personal guarantees, provided that such Adverse Consequences do not arise as a result of any default prior to the Closing Date by any such Shareholder under such personal guarantee.

Section 6.16 *Release of Security Interests.* On the Closing Date, the Shareholders shall deliver "payoff letters" from each Company's respective creditors, identifying the amount that must be paid to satisfy the Company's obligations to such creditor as of the Closing Date, and shall cause the Company to pay, with funds provided by Buyer, such amounts in full on the Closing Date. The Shareholders shall cooperate in obtaining releases from the Company's secured creditors of their respective security interests promptly after Closing including, without limitation, causing its secured creditors to execute and file a UCC-3 financing statement in connection with its security interest described in Section 3.9(a).

Article 7

Conditions

Section 7.1 *Conditions to Each Party's Obligation.* The respective obligations of each party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction prior to or on the Closing Date of the following conditions:

(a) ***Approvals.*** All authorizations, consents, orders, or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure to obtain which would have a material adverse effect on the Company, shall have been filed, occurred, or been obtained.

(b) ***No Injunctions or Restraints.*** No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction shall be in effect.

Section 7.2 *Conditions to Obligations of Buyer.* The obligation of Buyer to effect the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions, unless waived by Buyer:

(a) ***Representations and Warranties.*** The representations and warranties of the Shareholders set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) ***Performance of Obligations by the Shareholders.*** The Shareholders shall have performed all obligations required to be performed by them under this Agreement at or prior to the Closing Date.

(c) ***Employment Agreements.*** Each employee of the Company that Buyer intends to retain shall have executed and delivered to Buyer a copy of Buyer's standard employment agreement, which contains confidentiality and non-solicitation provisions.

(d) ***Due Diligence.*** Buyer shall be satisfied, in its sole discretion, with the results of its due diligence investigation of the Company including, without limitation, Buyer's real estate and environmental due diligence with respect to the Real Property.

(e) ***Opinion of the Shareholders' Counsel.*** The Shareholders shall have delivered to Buyer a written opinion of counsel dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(a)(iv) with only such changes therein as shall

be in form and substance reasonably satisfactory to Buyer.

(f) *Pledge Agreement.* The Shareholders shall have executed and delivered to Buyer the Pledge Agreement, along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares.

(g) *Release.* Each Shareholder shall have executed and delivered to Buyer the Release.

(h) *Adverse Changes.* There shall have been no material adverse change to the business or financial condition of the Company since the Balance Sheet Date.

(i) *Board Approval.* Buyer's Board of Directors shall have approved this transaction and the issuance of the Buyer Shares to the Shareholders.

(j) *Tangible Net Worth.* Buyer shall be satisfied that the Company, on a consolidated basis, have Tangible Net Worth (as defined herein) as of the Closing Date of at least ten percent (10%) of the Company's consolidated Core Revenue for the twelve (12) month period ended July 31, 2000. For purposes of this Agreement, the term "Tangible Net Worth" shall be calculated as agreed between Buyer and the Shareholders, as set forth in Schedule 7.2(j).

(k) *Appointment by Insurance Carriers.* Buyer shall be satisfied that those insurance carriers of the Company that Buyer wishes to appoint Buyer as their agent are willing to do so as of the Closing Date.

(l) *Termination of Employee Benefit Plans.* Buyer shall be satisfied that each Company has properly terminated all of its Employee Benefit Plans (except for its Employee Welfare Benefit Plans), effective prior to the Closing Date.

(m) *Termination of Liens and Encumbrances.* Buyer shall be satisfied that all liens or other encumbrances on any of the Company Shares and the assets of the Company have been satisfied and released prior to Closing.

(n) *Accounting and Tax Treatment; Securities Exemption.* Buyer shall be satisfied that its acquisition of the Company Shares and related issuance of the Buyer Shares shall qualify (i) for treatment for accounting purposes as a pooling-of-interests transaction and (ii) for an exemption from registration under federal and state securities laws.

(o) *Spousal Consents.* Pursuant to Louisiana community property law, Buyer shall have received executed written consents to this Agreement and the transactions contemplated herein from the respective spouses of the Shareholders.

(p) *Payoff of Company Debt.* The Shareholders shall have delivered to Buyer "payoff" letters from the Company's creditors, and Buyer shall be satisfied that the obligation amounts set forth in such payoff letters have been paid in full by the Company.

(q) *Waiver of Rights of First Refusal.* The Shareholders shall have delivered to Buyer evidence satisfactory to Buyer in its sole discretion that any right of first refusal in favor of the Shareholders and/or any of the Company in connection with the sale of the Company's stock, whether pursuant to the Company's Articles of Incorporation or otherwise, have been waived by the Shareholders and/or the Company, as the case may be.

Section 7.3 Conditions to Obligation of the Shareholders. The obligations of the Shareholders to effect the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, unless waived by the Shareholders:

(a) *Representations and Warranties.* The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) *Performance of Obligations by Buyer.* Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) *Opinion of Buyer's Counsel.* Buyer's Assistant General Counsel shall have delivered to the Shareholders a written opinion dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to the Shareholders.

Article 8

Indemnification

Section 8.1 Survival of Representations, Warranties, Indemnities and Covenants. The representations, warranties and indemnities set forth in this Agreement and any right to bring an action at law, in equity, or otherwise for any misrepresentation or breach of warranty under this Agreement shall survive for a period of one (1) year from the Closing Date. All post-closing covenants shall survive the Closing for the period specified in this Agreement or, if not specified, for a period of one (1) year following the Closing Date.

Section 8.2 Indemnification Provisions for the Benefit of Buyer. Subject to Section 8.4, the Shareholders, jointly and severally, agree to indemnify and hold Buyer, the Company and its officers, directors and affiliates harmless from and

against (a) any amount of those accounts receivable of the Company aged as of the Closing Date over fifty-nine (59) days (the "Aged Accounts Receivable") which remain uncollected as of the one-year anniversary of the Closing Date, net of any reasonable reserve for bad debts, and (b) any and all Adverse Consequences (as defined below) any of such parties may suffer or incur resulting from, arising out of, relating to, or caused by (i) the material breach of any of the Shareholders' representations, warranties, obligations or covenants contained herein, or (ii) the operation of the Company's insurance agency business or ownership of the Company Shares by the Shareholders on or prior to the Closing Date, including, without limitation, any claims or lawsuits based on conduct of the Shareholders, the Company, or its officers, directors or affiliates, occurring before the Closing. For purposes of this Article 8, the phrase "Adverse Consequences" means all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations, injunctions, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), obligations, taxes, liens, losses, expenses, and fees, including all attorneys' fees and court costs.

Section 8.3 *Indemnification Provisions for the Benefit of the Shareholders.* Subject to Section 8.4, Buyer agrees to indemnify and hold the Shareholders harmless from and against any and all Adverse Consequences the Shareholders may suffer or incur resulting from, arising out of, relating to, or caused by (a) the material breach of any of Buyer's representations, warranties, obligations or covenants contained herein, or (b) the operation of the insurance agency business of the Company or ownership of the Company Shares by Buyer after the Closing Date, including, without limitation, any claims or lawsuits based on conduct of Buyer, the Company or its officers, directors or affiliates, occurring after the Closing.

Section 8.4 *Maximum Indemnification Amount; Materiality Threshold.* (a) Notwithstanding anything in this Article 8 to the contrary, no party (the Shareholders being considered one party for purposes of this Section 8.4) shall be liable for any otherwise indemnifiable obligations under this Article 8 to the extent such obligations in the aggregate exceed the Purchase Price.

(b) No party (the Shareholders collectively being considered one party for purposes of this Section 8.4) shall be entitled to indemnification hereunder with respect to any claim or claims unless and until the aggregate amount of the indemnified claim or claims exceeds \$17,170.00. Once such party's claims exceed \$17,170.00 in the aggregate, such party shall be entitled to be indemnified for the full amount of its claims to the extent such claims exceed such \$17,170.00 aggregate amount.

Article 9

[INTENTIONALLY OMITTED]

Article 10

Miscellaneous

Section 10.1 *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (if confirmed), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses or at such other address for a party as shall be specified by like notice:

(a) If to Buyer, to

Brown & Brown, Inc.

401 E. Jackson Street, Suite 1700

Tampa, Florida 33602

Telecopy No.: (813) 222-4464

Attn: Laurel L. Grammig, Esq.

(b) if to the Shareholders, to

Tommy Huval

102 Asma Boulevard

Lafayette, Louisiana 70508

Telecopy No.: (337) 234-5175

with a copy to

Breazeale, Sachse & Wilson, L.L.P.
Twenty-Third Floor, One American Place

Baton Rouge, Louisiana 70821
Telecopy No.: (225) 381-8029
Attn: Van R. Mayhall, Jr.

Section 10.2 Use of Term "Knowledge". With respect to the term "Knowledge" or "Known" as used herein: (a) an individual will be deemed to have "Knowledge" of a particular fact or other matter (or such fact or matter will be deemed "Known" if (i) such individual is actually aware of such fact or other matter, or (b) a prudent individual could be expected to discover or otherwise become of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter; and (b) a corporation will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving, who has at any time in the twelve (12) months prior to the Closing Date served, as a director, officer, employee, executor, or trustee (or in any similar capacity) of such corporation has, or at any time had, Knowledge of such fact or other matter.

Section 10.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.4 Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 10.5 Assignment. Except as contemplated in Section 6.8 hereof, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 10.6 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 10.7 Joint Efforts. This Agreement is the result of the joint efforts and negotiations of the parties hereto, with each party being represented, or having the opportunity to be represented, by legal counsel of its own choice, and no singular party is the author or drafter of the provisions hereof. Each of the parties assumes joint responsibility for the form and composition of this Agreement and each party agrees that this Agreement shall be interpreted as though each of the parties participated equally in the composition of this Agreement and each and every provision and part hereof. The parties agree that the rule of judicial interpretation to the effect that any ambiguity or uncertainty contained in an agreement is to be construed against the party that drafted the agreement shall not be applied in the event of any disagreement or dispute arising out of this Agreement.

Section 10.8 Headings. All paragraph headings herein are inserted for convenience of reference only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

Section 10.9 Severability. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be illegal, invalid or unenforceable, either in whole or in part, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or covenants, or any part thereof, all of which shall remain in full force and effect.

Section 10.10 Attorneys' Fees. The prevailing party in any proceeding brought to enforce the provisions of this Agreement shall be entitled to an award of reasonable attorneys' fees and costs incurred at both the trial and appellate levels incurred in enforcing its rights hereunder.

Section 10.11 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, the parties have signed or caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

BUYER:

BROWN & BROWN, INC.

By: /S/ THOMAS M. DONEGAN, JR.

Name: Thomas M. Donegan, Jr.

Title: Vice President

SHAREHOLDERS:

/S/ THOMAS K. HUVAL

Thomas K. Huval, individually

/S/ KATHRYN H. PONTIFF

Kathryn H. Pontiff, individually

/S/ DALE F. HUVAL

Dale F. Huval, individually

/S/ MARK W. GAGNARD

Mark W. Gagnard, individually

/S/ DIANNE FLORES

Dianne Flores, individually

SCHEDULES AND EXHIBITS

Schedule 3.3: Capitalization

Schedule 3.11: Litigation and Claims

Schedule 3.14: Material Contracts

Schedule 3.16: Insurance Policies

Schedule 3.19: Employee Benefit Plans

Schedule 3.20(c): Owned Intellectual Property

Schedule 3.20(d): Licensed Intellectual Property

Schedule 7.2(j): Tangible Net Worth

Exhibit 2.2(a)(iii): Pledge Agreement

Exhibit 2.2(a)(ii): Release

Exhibit 2.2(a)(iv): Opinion of the Shareholders' Counsel

Exhibit 2.2(a)(v): Shareholder Employment Agreement

Exhibit 2.2(b)(ii): Opinion of Buyer's Counsel

G:\JHAYES\LOUISIAN\HUVAL\SPA_SIA.doc

ADDENDUM TO STOCK PURCHASE AGREEMENT

REGISTRATION RIGHTS PROVISIONS

Section 1. Definitions. As used in this Addendum, the following terms have the meanings specified below and include the plural as well as the singular:

"Common Stock" means the Company's common stock, par value \$0.10 per share.

"Company" means Brown & Brown, Inc., a Florida corporation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof and any court, panel, judge, board, bureau, commission, agency or other entity, body or other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"NASD" means the National Association of Securities Dealers, Inc.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Prospectus" means the prospectus included in any Registration Statement at the time the same becomes effective, as amended or supplemented by any prospectus supplement, including post-effective amendments and all material incorporated by reference in the prospectus.

"Registrable Shares" means the Sellers' Registrable Shares. All such securities shall cease to be Registrable Shares when they (i) have been distributed to the public pursuant to an offering registered under the Securities Act, (ii) become eligible to be sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force), or (iii) are sold by Sellers.

"Registration Expenses" means all expenses incident to the Company's performance of or compliance with this Addendum, including, without limitation, all SEC and stock exchange or NASD registration and filing fees and expenses, fees and expenses of compliance with securities or blue sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares), printing expenses, messenger and delivery expenses, the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange or national market system on which similar securities issued by the Company are then listed, fees and disbursements of counsel for the Company and all independent certified public accountants (including the expenses of any annual audit, special audit, if necessary, and "cold comfort" letters required by or incident to such performance and compliance and the fees and expenses of any special experts retained by the Company); however, the Company shall not be responsible for any underwriting discounts or commissions, fees and expenses of counsel to Sellers or transfer taxes, if any, attributable to the sale of Sellers' Registrable Shares.

"Registration Statement" means any registration statement of the Company that covers any of the Registrable Shares pursuant to the provisions of this Addendum, including all pre-effective amendments and post-effective amendments thereto, the Prospectus and supplements thereto, all exhibits, and all materials incorporated by reference in the Registration Statement.

"SEC" means the Securities and Exchange Commission or any successor thereof.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller Representative" means Thomas K. Huval, or any other person designated in a writing signed by the Sellers and delivered to the Company in accordance with the notice provisions of the Stock Purchase Agreement, to act as their representative under this Addendum.

"Sellers" means the parties identified as "Shareholders" in the Stock Purchase Agreement.

"Stock Purchase Agreement" means the stock purchase agreement to which this Addendum is attached.

"Sellers' Registrable Shares" means all Common Stock issued to Sellers pursuant to the terms of the Stock Purchase Agreement and all Common Stock issued with respect to such Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, reorganization or otherwise.

Section 2. Registration Rights.

(a) The Company shall prepare and file a Registration Statement on or before March 31, 2001, providing for the sale of the Registrable Shares by the Sellers pursuant to Rule 415 of the Securities Act or any similar rule that may be adopted by the SEC; however, none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares: (i) before the date on which financial results covering at least thirty (30) days of post-Closing Date (as defined in the Stock Purchase Agreement) combined operations of the Company and Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc, Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated, each a Louisiana corporation, along with any subsidiaries thereof, have been published by the Company except as otherwise permitted by the Stock Purchase Agreement; (ii) if such sale, transfer, pledge or disposition would prevent the stock purchase pursuant to the Stock Purchase Agreement from being accounted for as a pooling-of-interests; or (iii) while such Registration Statement remains effective, during a period beginning fifteen (15) days before the end of each of the Company's fiscal quarters and ending on the second (2nd) business day following the next release by the Company to the public of quarterly or annual earnings. The Registration Statement may include other securities of the Company designated by the Company and may include securities of the Company being sold for the account of the Company or others.

(b) The provisions of this Section 2 will be subject to the following conditions:

(i) If at any time after the Company files a Registration Statement hereunder the Company decides to make a public offering of securities through one or more underwriters, and an underwriter selected by the Company to manage such proposed underwriting advises the Company that it believes that such underwritten offering could be adversely affected by the concurrent registered offering of Registrable Shares pursuant hereto, then the Company may delay or suspend the filing or effectiveness of such Registration Statement for no more than one hundred eighty (180) days and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares.

(ii) If the Company, in its sole discretion, determines that the filing, maintenance of the effectiveness thereof or the fulfillment of any obligation it has hereunder to update, amend or supplement a Registration Statement would be detrimental to the Company, the Company shall have the right to defer the filing of a Registration Statement hereunder or delay or suspend the effectiveness thereof or suspend or delay fulfilling any obligation it has hereunder to update, amend or supplement a Registration Statement for the period for which such act would be detrimental, and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares; provided, however, that such period may not exceed more than forty-five (45) days.

Section 3. Expenses. The Company will pay all Registration Expenses in connection with the registration pursuant to Section 2 of this Addendum, whether or not such registration becomes effective under the Securities Act. Notwithstanding the foregoing, Sellers shall pay all underwriting discounts and commissions, fees and expenses of counsel to the Sellers, and transfer taxes incurred in connection with any registration pursuant to Section 2.

Section 4. Registration Procedures.

(a) With respect to a registration pursuant to Section 2 of this Addendum, the Company, subject to subsection 2(b) above, will use reasonable efforts to promptly effect the registration of the Registrable Shares, and in connection therewith, the Company shall do the following:

(i) prepare and file with the SEC a Registration Statement on or before March 31, 2001, and use reasonable efforts to cause such Registration Statement to become effective;

(ii) prepare and file with the SEC such amendments and post-effective amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continually effective for a period expiring on the earlier of (A) the date there are no longer shares of Common Stock outstanding that constitute Registrable Shares or (B) one (1) year from the Closing Date (as defined in the Stock Purchase Agreement);

(iii) promptly notify Sellers, at any time when a Prospectus relating to Sellers' Registrable Shares covered by the Registration Statement is required to be delivered under the Securities Act, of the occurrence of any event as a result of which the Registration Statement or the Prospectus or any document incorporated therein contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, and the Company shall promptly prepare and file with the SEC and furnish to Sellers a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the Sellers' Registrable Shares, such Prospectus shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) use reasonable efforts to register or qualify the Registrable Shares covered by the Registration Statement for offer and sale under the securities or "blue sky" laws of each state and other U.S. jurisdiction as Sellers reasonably request in writing; however, the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to so qualify, (B) take any action that would subject it to general service of process in any jurisdiction where it would not otherwise be subject to such general service of process, or (C) subject itself to general taxation in any jurisdiction where it would not otherwise be subject; and

(v) use reasonable efforts to cause all Registrable Shares included in such Registration Statement to be listed on the New York Stock Exchange (or any other market on which the Common Stock is then listed).

(b) Sellers, upon receipt of any notice from the Company of the occurrence of any event of the kind described in clause (iii) of subsection 4(a) above, will forthwith discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares until Seller's receipt of the copies of the supplemented or amended Prospectus contemplated by such subsection 4(a) and, if so directed by the Company, Sellers will deliver to the Company all copies, other than permanent file copies then in Sellers' possession, of the most recent Prospectus covering such Sellers' Registrable Shares at the time of receipt of such notice. Seller, upon receipt of any notice from the Company of the issuance of any stop order or blue sky order will forthwith, in the case of any stop order, discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares or, in the case of any blue sky order, discontinue disposition of the Sellers' Registrable Shares in the applicable jurisdiction, until advised in writing of the lifting or withdrawal of such order.

Section 5. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify and hold harmless Sellers, against any and all losses, claims, damages or liabilities, joint or several, and expenses to which any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (i) any materially untrue statement or alleged untrue statement of any material fact contained in any Registration Statement or Prospectus, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; however, the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense (x) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of Sellers specifically for use in the Registration Statement or Prospectus, or (y) results from the fact that a Seller sold Registrable Shares to a Person to whom there was not sent or given, at or before the written confirmation of such sale, a copy of the Prospectus, if the Company had previously made available to such Seller copies thereof and such Prospectus, as then amended or supplemented, corrected such misstatement or omission, or (z) results from a Seller breaching one or more of its obligations hereunder.

(b) *Indemnification by Sellers.* Sellers will indemnify and hold harmless (in the same manner and to the same extent as set forth in subsection 5(a), including, without limitation, clauses (y) and (z) of the proviso set forth therein) the Company and its directors, officers and controlling persons, each other party registering securities under a Registration Statement and each underwriter, dealer manager or similar securities industry professional participating in the distribution of Seller's Registrable Shares and such securities industry professional's respective directors, officers, partners and controlling persons and any other party offering securities under such Registration Statement, (i) with respect to any statement or alleged statement in or omission or alleged omission from such Registration Statement or Prospectus if such statement or alleged statement or omission or alleged omission was made in reliance upon information furnished to the Company by or on behalf of Sellers for use in such Registration Statement or Prospectus, (ii) results from the fact that Sellers sold Sellers' Registrable Shares to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus if the Company had previously furnished copies thereof to Sellers and such Prospectus, as then amended or supplemented, corrected such misstatements or omission, or (iii) results from such Seller breaching one or more of its obligations hereunder. Sellers will reimburse the indemnified parties for any legal or other costs or expenses incurred in connection with defending any such loss, claim, damage, liability, action or proceeding.

(c) *Notice of Claims, etc.* Promptly after receipt by an indemnified party under subsection 5(a) or (b) of notice of any claim or the commencement of any action or proceeding subject to indemnification thereunder, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under either of such subsections, promptly notify the indemnifying party in writing of the claim or the commencement of the action or proceeding; provided that the failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party under subsection 5(a) or (b) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice. If any such claim, action or proceeding shall be brought against an indemnified party, and it shall timely notify the indemnifying party, the indemnifying party shall be entitled to participate in, and, to the extent that it wishes, jointly with any other similarly notified

indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim, action or proceeding, the indemnifying party shall not be liable to the indemnified party under, subsection 5(a) or (b) for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; however, such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim, action or proceeding or has failed to employ counsel reasonably satisfactory to such indemnified party in any such claim, action or proceeding, or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such indemnified party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party that are inconsistent or in conflict with those available to the indemnifying party (in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action or proceeding on behalf of such indemnified party), it being understood, however, that the indemnifying party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for such indemnified party and any other indemnified parties similarly situated, which firm shall be designated in writing by such indemnified parties. The indemnifying party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the indemnifying party agrees to indemnify and hold harmless such indemnified parties from and against any loss or liability by reason of such settlement or judgment.

(d) *Contribution.* If the indemnification provided for in subsection 5(a) or (b) is unavailable or insufficient to hold harmless an indemnified party, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in subsection 5(a) or (b), (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and Sellers on other hand from the sale of the Sellers' Registrable Shares, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and Sellers on the other hand in connection with statements or omissions that resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and Sellers on the other hand shall be deemed to be in the same proportion as the total net proceeds from the issuance and sale of such Registrable Shares (before deducting expenses) received by the Company bear to the total compensation or profit (before deducting expenses) received or realized by Sellers of Sellers' Registrable Shares from the resale of such Registrable Shares. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Sellers of Sellers' Registrable Shares and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and Sellers agree that it would not be just and equitable if contributions pursuant to this subsection 5(d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection 5(d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in the first sentence of this subsection 5(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any claim, action or proceeding (which shall be limited as provided in subsection 5(c) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof) that is the subject of this subsection 5(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding against such party in respect of which a claim for contribution may be made against an indemnifying party under this subsection 5(d), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in subsection 5(c) above has not been given with respect to such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party under this subsection 5(d) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice.

Section 6. *Miscellaneous.*

(a) *Amendments and Waivers.* No waiver, amendment, modification or supplement of any provision of this Addendum, including this subsection 6(a), shall be valid unless it is approved in writing by the Company and the Sellers' Representative.

(b) *Assignment.* Sellers shall not be entitled to assign or transfer any or all of their rights under this Addendum, whether by operation of law or otherwise.

(c) *Termination.* The provisions of this Addendum will terminate with respect to a Seller's Registrable Shares, other than the provisions of Section 5 hereof, which will survive any such termination, as to a Seller when he or she ceases to own Registrable Shares.

STOCK ACQUISITION AGREEMENT

This STOCK ACQUISITION AGREEMENT, dated as of January 13, 2001 (this "Agreement"), is made and entered into by and among BROWN & Brown, Inc., a Florida corporation ("Buyer"), and THOMAS K. HUVAL, a resident of the State of Louisiana, JOSEPH DWAYNE PONTIFF, a resident of the State of Louisiana, DALE F. HUVAL, a resident of the State of Louisiana (each a "Shareholder" and collectively, the "Shareholders").

Background

The Shareholders own all of the outstanding capital stock of Huval Management Company, Inc., a Louisiana corporation (the "Company"). The Company is engaged primarily in the insurance agency business in Lafayette, Louisiana. The Shareholders wish to transfer all of the outstanding shares of each of the Company to Buyer, and Buyer desires to acquire such shares, upon the terms and conditions expressed in this Agreement. It is the intent of the parties that this transaction qualify for accounting purposes as a pooling-of-interests transaction and as a tax-free exchange under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

THEREFORE, in consideration of the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follow:

Article 1

The Acquisition

Section 1.1 *Acquisition and Transfer of Shares.* On and subject to the terms and conditions of this Agreement, Buyer agrees to acquire all of the issued and outstanding shares of capital stock of the Company, as more fully set forth in Schedule 3.3 (collectively, the "Company Shares"), from the Shareholders and the Shareholders agree to transfer all of the Company Shares to Buyer, free and clear of all liens and encumbrances. The Company Shares shall be transferred to Buyer for the consideration specified in Section 1.2.

Section 1.2 *Consideration.* The consideration for the Company Shares shall be the issuance of shares of common stock of Buyer to the Shareholders. The number of shares of common stock of Buyer to be issued to the Shareholders shall be 1,015 (the "Buyer Shares"), which is an amount, rounded to the nearest whole number, equal to (a) \$33,816.86 (the "Purchase Price"), divided by (b) \$33.3042 (the "Average Price").

Section 1.3 *Delivery of Buyer Shares.* (a) The Buyer Shares shall be issued to the Shareholders as follows:

(i) ten percent (10%) of the Buyer Shares shall be pledged to Buyer as partial security for the indemnification obligations of the Shareholders under Article 8 hereof (the "Pledged Shares"). These Pledged Shares, subject to any reduction in number as may be necessary to satisfy the Shareholders' indemnification obligations, shall be delivered to the Shareholders one (1) year after the Closing Date, in accordance with the terms of the Pledge Agreement attached hereto as Exhibit 2.2(a)(iii).

(ii) The remainder of the Buyer Shares shall be delivered to the Shareholders at the Closing (as defined in Section 2.1 hereof). The total number of Buyer Shares to be issued to the Shareholders will be issued as follows: thirty-three and one-third percent (33 1/3%) of the shares will be issued to each of the Shareholders.

(b) The parties agree that the dollar value of each Buyer Share shall be the Average Price for all purposes in determining (i) the number of Buyer Shares to be issued under Section 1.2 hereof, (ii) the number of Buyer Shares to be pledged under this Section 1.3, or (iii) the number of Pledged Shares Buyer may withhold to satisfy an indemnifiable claim, notwithstanding the actual market value of such shares (in each case with respect to clauses (i), (ii) or (iii), as adjusted for any stock splits or stock dividends).

Section 1.4 *Accounting and Tax Treatment.* The parties agree (a) to structure this transaction as a tax-free exchange, and (b), as more fully described in Section 9.6 to this Agreement, to treat this transaction for accounting purposes as a pooling-of-interests transaction and to take all actions necessary to characterize the transaction as such.

Section 1.5 *Registration of Buyer Shares.* The Shareholders and Buyer shall have the rights and obligations set forth in the Registration Rights Addendum attached hereto with respect to the registration of the Buyer Shares for sale and other matters addressed therein.

Article 2

Closing, Items to be Delivered,

Further Assurances, and Effective Date

Section 2.1 *Closing.* The consummation of transactions contemplated under this Agreement (the "Closing") will take place at 9 a.m., local time, on January 13, 2001 (the "Closing Date"), at the offices of Huval Insurance Agency, Inc., located at

102 Asma Boulevard, Suite 300, Lafayette, Louisiana 70508, unless another date or place is agreed to in writing by the parties hereto.

Section 2.2 Closing Obligations. At the Closing:

(a) The Shareholders will deliver to Buyer:

(i) certificates representing the Company Shares to Buyer, properly endorsed for transfer or with executed stock powers attached, for transfer to Buyer;

(ii) a release in the form of Exhibit 2.2(a)(ii), executed by each of the Shareholders (the "Release");

(iii) a pledge agreement in the form of Exhibit 2.2(a)(iii), executed by each of the Shareholders (the "Pledge Agreement"), along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares;

(iv) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Shareholders' Counsel");

(v) employment agreements in the form of Exhibit 2.2(a)(v), executed by those Shareholders to whom Buyer has offered employment (collectively, "Shareholder Employment Agreements");

(vi) evidence to Buyer's satisfaction that the Company has terminated all of its Employee Benefits Plans (other than Employee Welfare Benefit Plans), with such termination effective prior to the Closing Date; and

(b) Buyer shall deliver to the Shareholders:

(i) certificates representing the number of Buyer Shares to be issued to the Shareholders at the Closing pursuant to Section 1.3(b) hereof;

(ii) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Buyer's Counsel"); and

(iii) the Shareholder Employment Agreements, executed by Buyer.

Section 2.4 Mutual Performance. At or prior to the Closing, the parties hereto shall also deliver to each other the agreements, certificates, and other documents and instruments referred to in Articles 6 and 7 hereof.

Section 2.5 Third Party Consents. To the extent that the Company Shares may not be transferred to Buyer hereunder without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to transfer the same if an attempted transfer would constitute a breach thereof or be unlawful, and the Shareholders, at their expense, shall use their best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted transfer would be ineffective or would impair Buyer's rights so that Buyer would not in effect acquire the benefit of all such rights, the Shareholders, to the maximum extent permitted by law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Section 2.6 Further Assurances. From time to time after the Closing, the Shareholders will execute, acknowledge and deliver to Buyer such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably request in order to vest more effectively in Buyer, or to put Buyer more fully in possession of, the Company Shares. Each of the parties hereto will cooperate with the others and execute and deliver to the other parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

Section 2.7 Effective Date. The Effective Date of this Agreement and all related instruments executed at the Closing shall be the Closing Date.

Article 3

Representations and Warranties of the Shareholders

The Shareholders represent and warrant to Buyer as follows:

Section 3.1 Organization. The Company is a corporation organized and in good standing under the laws of Louisiana and its status is active. The Company has all requisite corporate power and authority and all necessary governmental approvals to own, lease, and operate its properties and to carry on its business as now being conducted. The Company is duly qualified

to do business and is in good standing as a foreign corporation in each jurisdiction where the conduct of its insurance agency business requires it to be so qualified.

Section 3.2 Authority. The Shareholders have the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Shareholders and constitutes their valid and binding obligation, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect which offset creditors' rights generally, and general equitable principles.

Section 3.3 Capitalization. Schedule 3.3 sets forth the number and par value of the shares that each of the Shareholders holds in the Company. Collectively, the Company Shares constitute all of the issued and outstanding shares of capital stock of the Company. All of the Company Shares have been duly issued and are fully paid and nonassessable. All of the Company Shares are owned and held by the Shareholders, free and clear of all liens, encumbrances or other third-party rights of any kind whatsoever. There are no outstanding agreements, options, rights or privileges, whether preemptive or contractual, to acquire shares of capital stock or other securities of any of the Company.

Section 3.4 Corporate Records. The Shareholders have delivered to Buyer correct and complete copies of the Articles of Incorporation and Bylaws of each Company, each as amended to date. The minute books containing the records of meetings of the shareholders, board of directors, and any committees of the board of directors, the stock certificate books, and the stock record books of each Company are correct and complete and have been made available for inspection by Buyer. The Company is not in default under or in violation of any provision of its Articles of Incorporation or Bylaws.

Section 3.5 Consents and Approvals; No Violations. Neither the execution, delivery or performance of this Agreement by the Shareholders nor the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will (a) except with respect to any options or rights of first refusal in favor of the Company (which options or rights the Shareholders shall cause the Company to reject prior to Closing), conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of the Company, (b) except for any necessary filings with the Louisiana Secretary of State or Department of Insurance, require any filing with, or permit, authorization, consent, or approval of, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority or agency (each a "Governmental Entity"), (c) except with respect to certain indebtedness which shall be paid off in connection with the Closing, result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions, or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which any of the Shareholders or the Company is a party or by which any of the Shareholders or the Company or any of their respective properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Shareholders or the Company, or any of their respective properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect on the Company or Buyer's ownership of the Company Shares.

Section 3.6 No Third Party Options. There are no existing agreements, options, commitments, or rights with, of or to any person to acquire any of the Company's securities, assets, properties or rights, or any interests therein.

Section 3.7 Financial Statements. The Shareholders have delivered to Buyer true and complete copies of the Company's consolidated balance sheet as of December 31, 2000 (the "Balance Sheet Date") and the related statement of income for the twelve (12) months then ended, all of which have been prepared in accordance with generally accepted accounting principles, consistently applied throughout the periods involved. Such balance sheets fairly present the consolidated financial position, assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company at the dates indicated and such statements of income fairly present the results of operations for the periods then ended. The Company's financial books and records are accurate and complete in all material respects.

Section 3.8 Absence of Certain Changes. Since the Balance Sheet Date, there have been no events or changes having a material adverse effect on the assets, liabilities, financial condition or operations of the Company or, to the Shareholders' or the Company's Knowledge (as defined in Section 10.2 of this Agreement), on the future prospects of the Company. Since the Balance Sheet Date, no Company has made any distributions or payments to any of the Shareholders (other than normal compensation that may have been paid to the Shareholders in their capacity as bona fide employees) and has not entered into any agreements other than in the ordinary course of business. Since the Balance Sheet Date, each Company has carried on business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and has not taken any unusual actions in contemplation of this transaction except to the extent that Buyer has given its prior specific consent.

Section 3.9 Assets. (a) Except as set forth in Schedule 3.9(a)-(1), the Company owns and holds, free and clear of any lien, charge, pledge, security interest, restriction, encumbrance or third-party interests of any kind whatsoever (including insurance company payables), sole and exclusive right, title, and interests in and to the customer expiration records for those customers listed in Schedule 3.9(a)-(2), together with the exclusive right to use such records and all customer accounts, copies of insurance policies and contracts in force, and all files, invoices and records pertaining to the customers, their contracts and insurance policies, and all related information. All customer accounts listed in Schedule 3.9(a)-(2) represent current customers of the Company and none of such accounts has been cancelled or transferred as of the date hereof.

(b) The name "The Huval Companies" is the only trade name used by the Company within the past three (3) years. No party has filed a claim during the past three (3) years against the Company alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party, or, if so, the claim has been settled with no existing liability to the Company and, to the Knowledge of the Shareholders or the Company, the Company has not violated or infringed any trademark, trade name, service mark, service name, patent, copyright or trade secret held by others.

(c) The computer software of the Company performs in a manner sufficient to operate the businesses of the Company as such businesses have historically been operated. The Shareholders have delivered to Buyer complete and correct copies of all user and technical documentation related to such software.

(d) The Company owns or leases all tangible assets necessary for the conduct of its business. All equipment, inventory, furniture and other assets owned or used by the Company in its business are in a state of good repair and maintenance, having regard for the purposes of which they are used, and the purposes for which such assets are used and for which they are held by the Company are not in violation of any statute, regulation, covenant or restriction. The Company owns or leases all office furniture, fixtures and equipment in its respective office locations.

(e) All notes and accounts receivables of the Company are reflected properly on its books and records, are valid receivables subject to no set-offs or counterclaims either asserted to date or of which the Shareholders or the Company has Knowledge, are presently current and collectible, net of reserves for bad debt, and will be collected in accordance with their terms at their recorded amounts. All of the Company's accounts payable, including accounts payable to insurance carriers, are current and reflected properly on the Company's books and records, and will be paid in accordance with their terms at their recorded amounts.

Section 3.10 *Undisclosed Liabilities.* The Company has no liabilities, and, to the Shareholders' or the Company's Knowledge, there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand against the Company giving rise to any liability, except (a) those liabilities reflected in the December 31, 2000 consolidated balance sheet of the Company, (b) liabilities which have arisen after the Balance Sheet Date in the ordinary course of business (none of which relates to any claim asserted with respect to any breach of contract, breach of warranty, tort, infringement, or violation of law, or arose from any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand), or (c) Incurred-But-Not-Reported (IBNR) health insurance claims by any plan participants. The Company has not guaranteed the obligations of any third party, including, without limitation, guarantees relating to premium financing on behalf of its customers.

Section 3.11 *Litigation and Claims.* Except as disclosed in Schedule 3.11, there is no suit, claim, action, proceeding or investigation pending or, to the Shareholders' or the Company's Knowledge, threatened against the Company, and there is no basis for such a suit, claim, action, proceeding or investigation. The Company is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have an adverse effect on the Company or would prevent the Shareholders from consummating the transactions contemplated hereby. No voluntary or involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to the Shareholders or the Company has been filed by or, to the Knowledge of the Shareholders or the Company, against the Shareholders or the Company, nor will the Shareholders or the Company file such a petition prior to the Closing Date or for one hundred (100) days thereafter, and if such petition is filed by others, the same will be promptly discharged. Each of the Shareholders is solvent on the date hereof and will be solvent on the Closing Date. Neither the Shareholders nor the Company has, and at the Closing Date will not have, made any assignment for the benefit of creditors, or admitted in writing insolvency or that its property at fair valuation will not be sufficient to pay its debts, nor will the Shareholders permit any judgment, execution, attachment, or levy against them or their properties to remain outstanding or unsatisfied for more than ten (10) days.

Section 3.12 *Compliance with Applicable Law.* The Company holds all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities necessary for the lawful conduct of its business (collectively, the "Permits"). The Company is in compliance with the terms of the Permits, except where the failure to comply would not have an adverse effect. The Company is not conducting business in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have an adverse effect on its business. As of the date of this Agreement, no investigation or review by any Governmental Entity with respect to the Company is pending or, to the Knowledge of the Shareholders or the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same.

Section 3.13 *Tax Returns and Audits.* The Company has timely filed all federal, state, local and foreign tax returns required to be filed by it or has paid or made provision for the payment of any penalty or interests arising from the late filing of any such return, has correctly reflected all taxes required to be shown thereon, and the Company has fully paid or made adequate provision for the payment of all taxes that have been incurred or are due and payable pursuant to such returns or pursuant to any assessment with respect to taxes in such jurisdictions, whether or not in connection with such returns. There are no circumstances or pending questions relating to Known potential tax liabilities nor claims asserted for taxes or assessments of the Company that, if adversely determined, could result in a tax liability arising out of any pre-Closing actions, omissions or other circumstances that may be assessed during any period prior to, including, or beginning after the Closing Date or on the Company's pre-Closing practices in computing or reporting taxes. To the Shareholders' or the Company's Knowledge, no federal income tax or information return for the Company is currently the subject of an audit

by the Internal Revenue Service. The Company has not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

Section 3.14 *Contracts.* (a) Schedule 3.14 lists all material contracts, agreements and other written arrangements to which the Company is a party, including, without limitation, the following:

(i) any written arrangement (or group of written arrangements) for the furnishing or receipt of services that calls for performance over a period of more than one (1) year;

(ii) any written arrangement concerning a partnership or joint venture;

(iii) any written arrangement (or group of written arrangements) under which the Company has created, incurred or assumed or may create, incur or assume indebtedness (including capitalized lease obligations) involving more than \$10,000 or under which it has imposed (or may impose) a security interest on any of its assets, tangible or intangible;

(iv) any employment agreement;

(v) any written arrangement concerning confidentiality or non-competition;

(vi) any written arrangement involving the Company and its present or former affiliates, officers, directors or shareholders;

(vii) any written arrangement under which the consequences of a default or termination could have a material adverse effect on the assets, liabilities, business, financial condition, operations or future prospects of the Company; or

(viii) any other written arrangement (or group of related arrangements) either involving more than \$10,000 or not entered into in the ordinary course of business.

(b) The Company is not a party to any verbal contract, agreement or other arrangement which, if reduced to written form, would be required to be listed in Schedule 3.14. The Shareholders have delivered to Buyer a correct and complete copy of each written arrangement, as amended to date, listed in Schedule 3.14. Each such contract, agreement and written arrangement is valid and enforceable in accordance with its terms, and no party is in default under any provision thereof.

Section 3.15 *Non-Solicitation Covenants.* The Company is not a party to any agreement that restricts its ability to compete in the insurance agency industry or solicit specific insurance accounts.

Section 3.16 *Insurance Policies.* Schedule 3.16 sets forth a complete and correct list of all insurance policies held by the Company with respect to its business, and true and complete copies of such policies have been delivered to Buyer. The Company has complied with all the provisions of such policies and the policies are in full force and effect.

Section 3.17 *Errors and Omissions.* The Company has not incurred any liability or taken or failed to take any action that may reasonably be expected to result in a liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance. All errors and omissions lawsuits and claims currently pending or threatened against the Company are set forth in Schedule 3.11. The Company has errors and omissions (E&O) insurance coverage in force, with minimum liability limits of \$3 million per claim and \$6 million aggregate, with a deductible of \$10,000 per claim and \$10,000 aggregate, and the Shareholders will provide to Buyer a certificate of insurance evidencing such coverage prior to or on the Closing Date. The Company has had the same or higher levels of coverage continuously in effect for at least the past five (5) years (or, if a period shorter than five (5) years, since the Company's inception).

Section 3.18 *Employees.* Except as disclosed in Schedule 3.14, all employees of the Company are employees at will, and the Company is not a party to any written contract of employment. None of the Company's employees is currently being treated for a major medical condition.

Section 3.19 *Employee Benefit Plans.* Schedule 3.19 lists each Employee Benefit Plan (as defined below) that the Company or any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (as defined below) (a "Company ERISA Affiliate") maintains or to which the Company or the Company ERISA Affiliate contributes.

(a) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all respects with the applicable requirements of ERISA, the Code, and other applicable laws. No such Employee Benefit Plan is under audit by the Internal Revenue Service or the Department of Labor.

(b) All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-1s, and summary plan descriptions) have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA and of Code Section 4980B have been met with respect to each such Employee Benefit Plan that is an "Employee Welfare Benefit Plan" as such term is defined in ERISA Section 3(1).

(c) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been paid to each such Employee Benefit Plan that is an "Employee Pension Benefit Plan" as such term is defined in ERISA Section 3(2), and all contributions for any period ending on or before the Closing Date that are not yet due have been paid to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Company.

All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(d) Each such Employee Benefit Plan that is an Employee Pension Benefit Plan meets the requirements of a "qualified plan" under Code Section 401(a) and has received, within the last two (2) years, a favorable determination letter from the Internal Revenue Service.

(e) The market value of assets under each such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any "Multiemployer Plan" as such term is defined in ERISA Section 3(37)) equals or exceeds the present value of all vested and nonvested liabilities thereunder determined in accordance with Pension Benefit Guaranty Corporation ("PBGC") methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(f) The Company has delivered to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements that implement each such Employee Benefit Plan.

(g) With respect to each Employee Benefit Plan that the Company or the Company ERISA Affiliate maintains or ever has maintained or to which it contributes, ever has contributed, or ever has been required to contribute:

(i) No such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a "Reportable Event" (as such term is defined in ERISA Section 4043) as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the Knowledge of the Shareholders or the Company, threatened.

(ii) There have been no "Prohibited Transactions" as defined in ERISA Section 406 and Code Section 4975 with respect to any such Employee Benefit Plan. No "Fiduciary" as defined in ERISA Section 3(21) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of the Shareholders or the Company, threatened. None of the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any Knowledge of any basis for any such action, suit, proceeding, hearing, or investigation.

(iii) The Company has not incurred, and none of the Company, the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any reason to expect that the Company shall incur, any liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability) or under the Code with respect to any such Employee Benefit Plan that is an Employee Pension Benefit Plan.

(iv) Neither the Company nor the Company ERISA Affiliate contributes to, nor has ever been required to contribute to, any Multiemployer Plan or has any liability (including withdrawal liability) under any Multiemployer Plan.

(v) Neither the Company nor the Company ERISA Affiliate maintains or contributes, nor has ever maintained or contributed, or has ever been required to contribute to any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Code Section 4980B).

As used in this Agreement, the term "Employee Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan or material fringe benefit plan or program.

Section 3.20 *Intellectual Property.*

(a) The Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property (as defined below) necessary or desirable for the operation of the businesses of the Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by the Company immediately prior to the Closing hereunder shall be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder. Each Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that it owns or uses.

(b) No Company has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and none of the Shareholders and the directors and officers (and employees with responsibility for Intellectual Property matters) of the Company has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the

Shareholders or the Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Company.

(c) No Company has any patents issued in its name, or patent applications filed or pending. Schedule 3.20(c) identifies each license, agreement, or other permission the Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). The Shareholders have delivered to Buyer correct and complete copies of all such registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Schedule 3.20(c) also identifies each trade name and registered or unregistered trademark or service mark used by the Company. With respect to each item of Intellectual Property required to be identified in Schedule 3.20(c):

(i) the Company possesses all right, title, and interest in and to the item, free and clear of any security interest, license, or other restriction;

(ii) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and

(iv) the Company has never agreed to indemnify any person or entity for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(d) Schedule 3.20(d) identifies each item of Intellectual Property that any third party owns and that the Company uses pursuant to license, sublicense, agreement, or permission. The Shareholders have delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Schedule 3.20(d):

(i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(ii) the license, sublicense, agreement, or permission shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article 2 above);

(iii) no party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred that with notice or default or permit termination, modification, or acceleration thereunder;

(iv) no party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(v) with respect to each sublicense, the representations and warranties set forth in clauses (i) through (iv) above are true and correct with respect to the underlying license;

(vi) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(vii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of the Shareholders or the Company, is threatened that challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(viii) Such Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(e) To the Knowledge of the Shareholders or the Company, no Company shall interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of the continued operation of its businesses as presently conducted and as presently proposed to be conducted.

As used in this Agreement the term "Intellectual Property" means (A) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (B) all trademarks, service marks, trade dress, logos, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (C) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (D) all mask works and all applications, registrations, and renewals in connection therewith, (E) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (F) all computer software (including data and related documentation), (G) all other proprietary rights, and (H) all copies and tangible embodiments thereof (in whatever form or medium).

Section 3.22 *Environment, Health, and Safety.*

(a) Each Company and its predecessors and affiliates have complied with all Environmental, Health, and Safety Laws (as defined below), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply. Without limiting the generality of the preceding sentence, each Company and its predecessors and affiliates has obtained and been in compliance with all of the terms and conditions of all permits, licenses, and other authorizations that are required under, and has complied with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables that are contained in, all Environmental, Health, and Safety Laws.

(b) The Company has no liability (and neither the Company or its predecessors and affiliates has handled or disposed of any substance, arranged for the disposal of any substance, exposed any employee or other individual to any substance or condition, or owned or operated any property or facility in any manner that could form the basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against the Company giving rise to any liability) for damage to any site, location, or body of water (surface or subsurface), for any illness of or personal injury to, any employee or other individual, or for any reason under any Environmental, Health, and Safety Law.

(c) All properties and equipment used in the business of each Company and its predecessors and affiliates have been free of asbestos, polychlorinated biphenyls (PCBs), methylene chloride, trichloroethylene, 1, 2-trans-dichloroethylene, dioxins, dibenzofurans, and Extremely Hazardous Substances (as defined below).

(d) As used in this Agreement, the term:

(i) "Environmental, Health, and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Occupational Safety and Health Act of 1970, each as amended, together with all other laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, public health and safety, or employee health and safety, including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes;

(ii) "Extremely Hazardous Substance" has the meaning set forth in Section 302 of the Emergency Planning and Community Right-to-Know Act of 1986, as amended; and

(iii) "Hazardous Materials" means any "toxic substance" as defined in 15 U.S.C. Section 2601 *et seq.* on the date hereof, including materials designated on the date hereof as "hazardous substances" under 42 U.S.C. Section 9601 *et seq.* or other applicable laws, and toxic, radioactive, caustic, or otherwise hazardous substances, including petroleum and its derivatives, asbestos, PCBs, formaldehyde, chlordane and heptachlor.

Section 3.22 Accounting Matters. To the Knowledge of the Shareholders or the Company, no "Affiliate" (as defined below) of the Company has, during a period of thirty (30) days prior to the date of this Agreement, sold, pledged, hypothecated, or otherwise transferred or encumbered any capital stock of the Company held by such Affiliate. For purposes of this Agreement, the term "Affiliate" means any officer, director, or owner of ten percent (10%) or more of the voting capital stock of the Company.

Section 3.23 Securities Law Representations. (a) The Shareholders were granted access to the business premises, offices, properties, and business, corporate and financial books and records of Buyer. The Shareholders were permitted to examine the foregoing records, to question officers of Buyer, and to make such other investigations as they considered appropriate to determine or verify the business and financial condition of Buyer. Buyer furnished to the Shareholders all information regarding its business and affairs that the Shareholders requested, including, without limitation, (i) Buyer's annual report on Form 10-K for the year ended December 31, 1999, (ii) Buyer's Annual Report to Shareholders for the year ended December 31, 1999, (iii) the Proxy Statement for Buyer's 2000 Annual Meeting of Shareholders, and (iv) Buyer's quarterly reports on Form 10-Q for the three (3) months ended March 31, June 30, and September 30, 2000, respectively.

(b) Each Shareholder recognizes that the Buyer Shares will, when issued, not be registered under the Securities Act of 1933, as amended (the "Securities Act") and will therefore, unless and until a registration statement with respect to the Buyer Shares is declared effective by the Securities and Exchange Commission (the "SEC"), constitute "restricted securities" as defined pursuant to Rule 144(a)(3) under the Securities Act under which means, among other things, that the Shareholders generally will not be able to sell the Buyer Shares for a period of at least one (1) year following the Closing Date, and may not be sold, offered for sale, transferred, pledged, hypothecated or otherwise disposed of except in compliance with the Securities Act, as such, by way of illustration but without limitation, in compliance the safe harbor provisions of Rule 144; further, the legal consequences of the foregoing mean that the Shareholder must bear the economic risk of the investment in the Buyer Share for an indefinite period of time; further, if the Shareholder desires to sell or transfer all or any part of the Buyer Shares, Buyer may require the Shareholder's counsel to provide a legal opinion that the transfer may be made without registration under the Securities Act; further, other restrictions discussed elsewhere herein may be applicable; further, the Shareholder is subject to the restriction on transfer described herein and Buyer will issue stop transfer orders with Buyer's transfer agent to enforce such restrictions; further, the Buyer Shares will bear a legend restricting transfer; and further, the following paragraph, or language substantially equivalent thereto, will be inserted in or stamped on the certificates evidencing the same:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SHARES HAVE BEEN ACQUIRED FOR INVESTMENT. THIS STOCK MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THE SAME UNDER THE SECURITIES ACT OF 1933 OR OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE SECURITIES LAWS.

(c) Because of their considerable knowledge and experience in financial and business matters, each of the Shareholders is able to evaluate the merits, risks, and other factors bearing on the suitability of the Buyer Shares as an investment. Each of the Shareholders, individually or by virtue of a "purchaser representative" (as defined pursuant to Rule 501(h) under the Securities Act), qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act .

(d) Each Shareholder's annual income and net worth are such that he or she would not now be, and does not contemplate being, required to dispose of any investment in the Buyer Shares, including the risk of losing all or any part of his investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Buyer Shares for an indefinite period.

(e) The Shareholder's acquisition of the Buyer Shares will be solely for his own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Section 3.24 *No Misrepresentations.* None of the representations and warranties of the Shareholders set forth in this Agreement or in the attached Schedules, notwithstanding any investigation thereof by Buyer, contains any untrue statement of a material fact, or omits the statement of any material fact necessary to render the statements made not misleading.

Article 4

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders as follows:

Section 4.1 *Organization.* Buyer is a corporation organized under the laws of Florida and its status is active. Buyer has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect.

Section 4.2 *Authority.* Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles.

Section 4.3 *Consents and Approvals; No Violations.* Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of Buyer, (b) require any filing with, or permit authorization, consent, or approval of, any Governmental Entity, except where the failure to obtain such permits, authorizations, consents, or approvals or to make such filings would not have a material adverse effect, (c) result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which Buyer is a party or by which Buyer or its properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect.

Section 4.4 *SEC Reports and Financial Statements.* Buyer has filed with the SEC, and has heretofore made available to the Shareholders true and complete copies of all forms, reports, schedules, statements and other documents required to be filed by it since December 31, 1999 under the Securities Exchange Act of 1934 (the "Exchange Act") or the Securities Act (as such documents have been amended since the time of their filing, collectively, the "Buyer SEC Documents"). The Buyer SEC Documents, including without limitation any financial statements and schedules included therein, at the time filed, (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, and the applicable rules and regulations of the SEC thereunder. The financial statements

of Buyer included in the Buyer SEC Documents comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited statements, to normal, recurring audit adjustments) the consolidated financial position of Buyer and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended.

Section 4.5 *Absence of Certain Changes.* Except as disclosed in the Buyer SEC Documents, since December 31, 1999, there have been no events, changes or events having, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.6 *No Undisclosed Liabilities.* Except as and to the extent set forth in Buyer's Quarterly Report on Form 10-Q for the period ended September 30, 2000, as of September 30, 2000, Buyer had no liabilities or obligations, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of Buyer and its subsidiaries. Since September 30, 2000, Buyer has not incurred any liabilities, whether or not accrued, contingent or otherwise, outside the ordinary course of business or that would have, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.7 *Litigation.* Except as disclosed in the Buyer SEC Documents filed prior to the date of this Agreement, there is no suit, claim, action, proceeding or investigation pending or, to the best Knowledge of Buyer, threatened against Buyer or any of its subsidiaries before any Governmental Entity that, individually or in the aggregate, is reasonably likely to have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated by this Agreement. Except as disclosed in the Buyer SEC Documents, neither Buyer nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated hereby.

Section 4.8 *Accounting Matters.* To the best Knowledge of Buyer, neither Buyer nor any of its affiliates has through the date of this Agreement taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by the Company or any of its affiliates) would prevent the parties from accounting for the transaction to be effected by this Agreement as a pooling of interests.

Section 4.9 *Errors and Omissions.* Buyer has not incurred any material liability or taken or failed to take any action that may reasonably be expected to result in a material liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance and those disclosed in the Buyer SEC Documents. Buyer has errors and omission (E&O) insurance coverage in force, with minimum liability limits of \$35,000,000.00 per occurrence and \$35,000,000.00 aggregate, with a deductible of \$250,000.00.

Section 4.10 *Securities Law Representations.* (a) Buyer was granted access to the business premises, offices, properties, and business, corporate and financial books and records of the Company. Buyer was permitted to examine the foregoing records, to question officers of the Company, and to make such other investigations as it considered appropriate to determine or verify the business and financial condition of the Company. The Shareholders furnished to Buyer all information regarding the business and affairs of the Company that Buyer requested.

(b) Because of its considerable knowledge and experience in financial and business matters, Buyer is able to evaluate the merits, risks, and other factors bearing on the suitability of the Company Shares as an investment. Buyer qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act.

(c) Buyer's annual income and net worth are such that it would not now be, and does not contemplate being, required to dispose of any investment in the Company Shares, including the risk of losing all or any part of its investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Company Shares for an indefinite period. Buyer recognizes that the Company Shares will not be registered under the Securities Act of 1933 and will therefore constitute "restricted securities," which means, among other things, that Buyer generally will not be able to sell the Company Shares for a period of at least one (1) year following the Closing Date.

(d) Buyer's acquisition of the Company Shares will be solely for its own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Article 5

[INTENTIONALLY OMITTED]

Article 6

Additional Agreements

Section 6.1 *Access to Information.* Upon reasonable notice, the Shareholders shall cause the Company to afford to the officers, employees, accountants, counsel, and other authorized representatives of Buyer full access, during the period prior to the Closing Date, to all of the properties, books, contracts, commitments, records, and senior management of the

Company. Unless otherwise required by law, Buyer will hold any such information that is nonpublic in confidence, will not use such information in its business if the transaction does not close, and will promptly return such information if the transaction does not close. After the Closing, upon reasonable notice, Buyer shall cause the Company to afford to the Shareholders and their accountants, counsel and other authorized representatives of the Shareholders reasonable access to the properties, books, contracts, commitments, and records of the Company. Unless otherwise required by law or if necessary to do so in connection with any legal proceeding, or if required by any government or governmental agency or authority, the Shareholders will hold any such information that is nonpublic in confidence; provided, however, that nothing in this Section 6.1 shall be deemed or construed to impair or otherwise limit those covenants set forth in Section 6.13 hereof.

Section 6.2 Expenses. Whether or not the transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by Buyer, for itself, or the Company, on behalf of the Shareholders, for such incurred expenses.

Section 6.3 Brokers or Finders. Each of the parties represents, as to itself, its subsidiaries and its affiliates, that no agent, broker, investment banker, financial advisor, or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, and each of the parties agrees to indemnify and hold the others harmless from and against any and all claims, liabilities, or obligations with respect to any fees, commissions, or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate.

Section 6.4 Additional Agreements; Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties agrees to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including cooperating fully with the other parties.

Section 6.5 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Company (as such term is defined in Section 3.22 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.5 Non-Competition Covenants. Each of the Shareholders agrees that he or she shall not, directly or indirectly, for a period of two (2) years beginning on the Closing Date, engage in, or be or become the owner of an equity interest in, or otherwise consult with, be employed by, or participate in the business of, any entity (other than Buyer or the Company) engaged in the insurance agency business within the following Louisiana parishes: Acadia, Iberia, Lafayette, Lincoln, Saint Landry, Saint Martin, or Vermilion. The Shareholders acknowledge that the confidentiality and non-solicitation covenants to be contained in any employment agreements they may enter into with Buyer will be in addition to, and will not supersede or be subordinate to, the non-competition covenants contained in this Section 6.5. Notwithstanding anything in this Section 6.5, (a) the servicing by Dale F. Huval of any insurance or bond business of any kind for those accounts or customers of Huval Richard Insurance Agency, Inc. set forth in Schedule 3.9(a)-(2) (the "Richard Accounts") or (b) any indirect remuneration by Thomas K. Huval or Kathryn H. Pontiff in connection with the Richard Accounts, shall not be deemed a breach of this Section 6.5.

Section 6.6 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Companies (as such term is defined in Section 3.23 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.7 Remedy for Breach of Covenants. In the event of a breach of the provisions of Section 6.5 or 6.6, Buyer and the Company shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of competent jurisdiction declare the covenants set forth in Section 6.5 or 6.6 unenforceable due to a unreasonable restriction, duration, geographical area or otherwise, the parties agree that such court shall be empowered and shall grant Buyer, the Company and their affiliates injunctive relief to the extent reasonably necessary to protect their respective interests. The Shareholders acknowledge that the covenants set forth in Sections 6.5 and 6.6 represent an important element of the value of the Company Shares and were a material inducement for Buyer to enter into this Agreement.

Section 6.8 Errors and Omissions Tail Coverage. On or prior to the Closing Date, the Shareholders shall cause the Company to purchase, at the Company's expense, a tail coverage extension on each Company's errors and omissions insurance policy. Such coverage shall extend for a period of at least three (3) years from the Closing Date, shall have the same coverages and deductibles currently in effect, and shall otherwise be in form reasonably acceptable to Buyer. A certificate of insurance evidencing such coverage shall be delivered to Buyer at or prior to Closing.

Section 6.9 Release. The Shareholders each agree on the Closing Date to execute and deliver the Release.

Section 6.10 Pledge Agreement. The parties agree on the Closing Date to enter into the Pledge Agreement.

Section 6.11 *Shareholder Employment Agreements.* Buyer and each of the Shareholders agree on the Closing Date to enter into the respective Shareholder Employment Agreements.

Section 6.12 *Confidentiality.* The parties agree to maintain the existence of this transaction and the terms hereof in confidence, until the earliest of the following circumstances occurs: (a) the parties mutually agree to release such information to the public; (b) Buyer or the Shareholders reasonably concludes that such disclosure is required by law; or (c) the Closing has occurred and ownership of the Company Shares has passed to Buyer.

Section 6.13 *Preparation of Tax Return.* The Shareholders recognize that a year-to-date income tax return must be prepared and filed for each Company as a result of this transaction and that the Shareholders are primarily responsible for causing the preparation of this return; provided, however, that Buyer shall cause the Company to provide the Shareholders and their authorized representatives with reasonable access to the Company's books and records in order to prepare such return. The Shareholders therefore agree to cause the preparation of these returns in accordance with federal filing requirements, at the Company's expense, and deliver them to the Company in advance to review and file. Buyer and the Company shall be solely responsible for any changes they make to the returns prepared by the Shareholders.

Section 6.14 *Removal of Restrictive Legend.* Upon the Shareholders' written request, at the expiration of the applicable waiting period under Rule 144 (or if and when successfully registered for resale with the SEC), Buyer shall instruct its transfer agent to remove any restrictive legends on those certificates issued to the Shareholders evidencing the Buyer Shares.

Section 6.15 *Release of Personal Guarantees.* As of Closing, the Shareholders shall be deemed to be released from any personal guarantees made by such Shareholders with respect to any obligation of the Company. Buyer shall cooperate to have such Shareholders released by the Company's creditors from any such personal guarantees and shall indemnify such Shareholders from any Adverse Consequences (as defined in Section 8.2 hereof) arising from such personal guarantees, provided that such Adverse Consequences do not arise as a result of any default prior to the Closing Date by any such Shareholder under such personal guarantee.

Section 6.16 *Release of Security Interests.* On the Closing Date, the Shareholders shall deliver "payoff letters" from each Company's respective creditors, identifying the amount that must be paid to satisfy the Company's obligations to such creditor as of the Closing Date, and shall cause the Company to pay, with funds provided by Buyer, such amounts in full on the Closing Date. The Shareholders shall cooperate in obtaining releases from the Company's secured creditors of their respective security interests promptly after Closing including, without limitation, causing its secured creditors to execute and file a UCC-3 financing statement in connection with its security interest described in Section 3.9(a).

Article 7

Conditions

Section 7.1 *Conditions to Each Party's Obligation.* The respective obligations of each party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction prior to or on the Closing Date of the following conditions:

(a) ***Approvals.*** All authorizations, consents, orders, or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure to obtain which would have a material adverse effect on the Company, shall have been filed, occurred, or been obtained.

(b) ***No Injunctions or Restraints.*** No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction shall be in effect.

Section 7.2 *Conditions to Obligations of Buyer.* The obligation of Buyer to effect the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions, unless waived by Buyer:

(a) ***Representations and Warranties.*** The representations and warranties of the Shareholders set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) ***Performance of Obligations by the Shareholders.*** The Shareholders shall have performed all obligations required to be performed by them under this Agreement at or prior to the Closing Date.

(c) ***Employment Agreements.*** Each employee of the Company that Buyer intends to retain shall have executed and delivered to Buyer a copy of Buyer's standard employment agreement, which contains confidentiality and non-solicitation provisions.

(d) ***Due Diligence.*** Buyer shall be satisfied, in its sole discretion, with the results of its due diligence investigation of the Company including, without limitation, Buyer's real estate and environmental due diligence with respect to the Real Property.

(e) ***Opinion of the Shareholders' Counsel.*** The Shareholders shall have delivered to Buyer a written opinion of counsel dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(a)(iv) with only such changes therein as shall

be in form and substance reasonably satisfactory to Buyer.

(f) *Pledge Agreement.* The Shareholders shall have executed and delivered to Buyer the Pledge Agreement, along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares.

(g) *Release.* Each Shareholder shall have executed and delivered to Buyer the Release.

(h) *Adverse Changes.* There shall have been no material adverse change to the business or financial condition of the Company since the Balance Sheet Date.

(i) *Board Approval.* Buyer's Board of Directors shall have approved this transaction and the issuance of the Buyer Shares to the Shareholders.

(j) *Tangible Net Worth.* Buyer shall be satisfied that the Company, on a consolidated basis, have Tangible Net Worth (as defined herein) as of the Closing Date of at least ten percent (10%) of the Company's consolidated Core Revenue for the twelve (12) month period ended July 31, 2000. For purposes of this Agreement, the term "Tangible Net Worth" shall be calculated as agreed between Buyer and the Shareholders, as set forth in Schedule 7.2(j).

(k) *Appointment by Insurance Carriers.* Buyer shall be satisfied that those insurance carriers of the Company that Buyer wishes to appoint Buyer as their agent are willing to do so as of the Closing Date.

(l) *Termination of Employee Benefit Plans.* Buyer shall be satisfied that each Company has properly terminated all of its Employee Benefit Plans (except for its Employee Welfare Benefit Plans), effective prior to the Closing Date.

(m) *Termination of Liens and Encumbrances.* Buyer shall be satisfied that all liens or other encumbrances on any of the Company Shares and the assets of the Company have been satisfied and released prior to Closing.

(n) *Accounting and Tax Treatment; Securities Exemption.* Buyer shall be satisfied that its acquisition of the Company Shares and related issuance of the Buyer Shares shall qualify (i) for treatment for accounting purposes as a pooling-of-interests transaction and (ii) for an exemption from registration under federal and state securities laws.

(o) *Spousal Consents.* Pursuant to Louisiana community property law, Buyer shall have received executed written consents to this Agreement and the transactions contemplated herein from the respective spouses of the Shareholders.

(p) *Payoff of Company Debt.* The Shareholders shall have delivered to Buyer "payoff" letters from the Company's creditors, and Buyer shall be satisfied that the obligation amounts set forth in such payoff letters have been paid in full by the Company.

(q) *Waiver of Rights of First Refusal.* The Shareholders shall have delivered to Buyer evidence satisfactory to Buyer in its sole discretion that any right of first refusal in favor of the Shareholders and/or any of the Company in connection with the sale of the Company's stock, whether pursuant to the Company's Articles of Incorporation or otherwise, have been waived by the Shareholders and/or the Company, as the case may be.

Section 7.3 Conditions to Obligation of the Shareholders. The obligations of the Shareholders to effect the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, unless waived by the Shareholders:

(a) *Representations and Warranties.* The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) *Performance of Obligations by Buyer.* Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) *Opinion of Buyer's Counsel.* Buyer's Assistant General Counsel shall have delivered to the Shareholders a written opinion dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to the Shareholders.

Article 8

Indemnification

Section 8.1 Survival of Representations, Warranties, Indemnities and Covenants. The representations, warranties and indemnities set forth in this Agreement and any right to bring an action at law, in equity, or otherwise for any misrepresentation or breach of warranty under this Agreement shall survive for a period of one (1) year from the Closing Date. All post-closing covenants shall survive the Closing for the period specified in this Agreement or, if not specified, for a period of one (1) year following the Closing Date.

Section 8.2 Indemnification Provisions for the Benefit of Buyer. Subject to Section 8.4, the Shareholders, jointly and severally, agree to indemnify and hold Buyer, the Company and its officers, directors and affiliates harmless from and

against (a) any amount of those accounts receivable of the Company aged as of the Closing Date over fifty-nine (59) days (the "Aged Accounts Receivable") which remain uncollected as of the one-year anniversary of the Closing Date, net of any reasonable reserve for bad debts, and (b) any and all Adverse Consequences (as defined below) any of such parties may suffer or incur resulting from, arising out of, relating to, or caused by (i) the material breach of any of the Shareholders' representations, warranties, obligations or covenants contained herein, or (ii) the operation of the Company's insurance agency business or ownership of the Company Shares by the Shareholders on or prior to the Closing Date, including, without limitation, any claims or lawsuits based on conduct of the Shareholders, the Company, or its officers, directors or affiliates, occurring before the Closing. For purposes of this Article 8, the phrase "Adverse Consequences" means all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations, injunctions, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), obligations, taxes, liens, losses, expenses, and fees, including all attorneys' fees and court costs.

Section 8.3 *Indemnification Provisions for the Benefit of the Shareholders.* Subject to Section 8.4, Buyer agrees to indemnify and hold the Shareholders harmless from and against any and all Adverse Consequences the Shareholders may suffer or incur resulting from, arising out of, relating to, or caused by (a) the material breach of any of Buyer's representations, warranties, obligations or covenants contained herein, or (b) the operation of the insurance agency business of the Company or ownership of the Company Shares by Buyer after the Closing Date, including, without limitation, any claims or lawsuits based on conduct of Buyer, the Company or its officers, directors or affiliates, occurring after the Closing.

Section 8.4 *Maximum Indemnification Amount; Materiality Threshold.* (a) Notwithstanding anything in this Article 8 to the contrary, no party (the Shareholders being considered one party for purposes of this Section 8.4) shall be liable for any otherwise indemnifiable obligations under this Article 8 to the extent such obligations in the aggregate exceed the Purchase Price.

(b) No party (the Shareholders collectively being considered one party for purposes of this Section 8.4) shall be entitled to indemnification hereunder with respect to any claim or claims unless and until the aggregate amount of the indemnified claim or claims exceeds \$310.00. Once such party's claims exceed \$310.00 in the aggregate, such party shall be entitled to be indemnified for the full amount of its claims to the extent such claims exceed such \$310.00 aggregate amount.

Article 9

[INTENTIONALLY OMITTED]

Article 10

Miscellaneous

Section 10.1 *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (if confirmed), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses or at such other address for a party as shall be specified by like notice:

(a) If to Buyer, to

Brown & Brown, Inc.

401 E. Jackson Street, Suite 1700

Tampa, Florida 33602

Telecopy No.: (813) 222-4464

Attn: Laurel L. Grammig, Esq.

(b) if to the Shareholders, to

Tommy Huval

102 Asma Boulevard

Lafayette, Louisiana 70508

Telecopy No.: (337) 234-5175

with a copy to

Breazeale, Sachse & Wilson, L.L.P.
Twenty-Third Floor, One American Place
Baton Rouge, Louisiana 70821

Section 10.2 Use of Term "Knowledge". With respect to the term "Knowledge" or "Known" as used herein: (a) an individual will be deemed to have "Knowledge" of a particular fact or other matter (or such fact or matter will be deemed "Known" if (i) such individual is actually aware of such fact or other matter, or (b) a prudent individual could be expected to discover or otherwise become of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter; and (b) a corporation will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving, who has at any time in the twelve (12) months prior to the Closing Date served, as a director, officer, employee, executor, or trustee (or in any similar capacity) of such corporation has, or at any time had, Knowledge of such fact or other matter.

Section 10.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.4 Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 10.5 Assignment. Except as contemplated in Section 6.8 hereof, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 10.6 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 10.7 Joint Efforts. This Agreement is the result of the joint efforts and negotiations of the parties hereto, with each party being represented, or having the opportunity to be represented, by legal counsel of its own choice, and no singular party is the author or drafter of the provisions hereof. Each of the parties assumes joint responsibility for the form and composition of this Agreement and each party agrees that this Agreement shall be interpreted as though each of the parties participated equally in the composition of this Agreement and each and every provision and part hereof. The parties agree that the rule of judicial interpretation to the effect that any ambiguity or uncertainty contained in an agreement is to be construed against the party that drafted the agreement shall not be applied in the event of any disagreement or dispute arising out of this Agreement.

Section 10.8 Headings. All paragraph headings herein are inserted for convenience of reference only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

Section 10.9 Severability. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be illegal, invalid or unenforceable, either in whole or in part, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or covenants, or any part thereof, all of which shall remain in full force and effect.

Section 10.10 Attorneys' Fees. The prevailing party in any proceeding brought to enforce the provisions of this Agreement shall be entitled to an award of reasonable attorneys' fees and costs incurred at both the trial and appellate levels incurred in enforcing its rights hereunder.

Section 10.11 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, the parties have signed or caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

BUYER:

BROWN & BROWN, INC.

By: /S/ THOMAS M. DONEGAN, JR.

Name: Thomas M. Donegan, Jr.

Title: Vice President

SHAREHOLDERS:

/S/ THOMAS K. HUVAL

Thomas K. Huval, individually

/S/ JOSEPH DWAYNE PONTIFF

Joseph Dwayne Pontiff, individually

/S/ DALE F. HUVAL

Dale F. Huval, individually

SCHEDULES AND EXHIBITS

Schedule 3.3: Capitalization

Schedule 3.11: Litigation and Claims

Schedule 3.14: Material Contracts

Schedule 3.16: Insurance Policies

Schedule 3.19: Employee Benefit Plans

Schedule 3.20(c): Owned Intellectual Property

Schedule 3.20(d): Licensed Intellectual Property

Schedule 7.2(j): Tangible Net Worth

Exhibit 2.2(a)(iii): Pledge Agreement

Exhibit 2.2(a)(ii): Release

Exhibit 2.2(a)(iv): Opinion of the Shareholders' Counsel

Exhibit 2.2(a)(v): Shareholder Employment Agreement

Exhibit 2.2(b)(ii): Opinion of Buyer's Counsel

G:\JHAYES\LOUISIAN\HUVAL\SPA_HMC.doc

ADDENDUM TO STOCK PURCHASE AGREEMENT

REGISTRATION RIGHTS PROVISIONS

Section 1. Definitions. As used in this Addendum, the following terms have the meanings specified below and include the plural as well as the singular:

"*Common Stock*" means the Company's common stock, par value \$0.10 per share.

"*Company*" means Brown & Brown, Inc., a Florida corporation.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof and any court, panel, judge, board, bureau, commission, agency or other entity, body or other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"NASD" means the National Association of Securities Dealers, Inc.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Prospectus" means the prospectus included in any Registration Statement at the time the same becomes effective, as amended or supplemented by any prospectus supplement, including post-effective amendments and all material incorporated by reference in the prospectus.

"Registrable Shares" means the Sellers' Registrable Shares. All such securities shall cease to be Registrable Shares when they (i) have been distributed to the public pursuant to an offering registered under the Securities Act, (ii) become eligible to be sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force), or (iii) are sold by Sellers.

"Registration Expenses" means all expenses incident to the Company's performance of or compliance with this Addendum, including, without limitation, all SEC and stock exchange or NASD registration and filing fees and expenses, fees and expenses of compliance with securities or blue sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares), printing expenses, messenger and delivery expenses, the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange or national market system on which similar securities issued by the Company are then listed, fees and disbursements of counsel for the Company and all independent certified public accountants (including the expenses of any annual audit, special audit, if necessary, and "cold comfort" letters required by or incident to such performance and compliance and the fees and expenses of any special experts retained by the Company); however, the Company shall not be responsible for any underwriting discounts or commissions, fees and expenses of counsel to Sellers or transfer taxes, if any, attributable to the sale of Sellers' Registrable Shares.

"Registration Statement" means any registration statement of the Company that covers any of the Registrable Shares pursuant to the provisions of this Addendum, including all pre-effective amendments and post-effective amendments thereto, the Prospectus and supplements thereto, all exhibits, and all materials incorporated by reference in the Registration Statement.

"SEC" means the Securities and Exchange Commission or any successor thereof.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller Representative" means Thomas K. Huval, or any other person designated in a writing signed by the Sellers and delivered to the Company in accordance with the notice provisions of the Stock Purchase Agreement, to act as their representative under this Addendum.

"Sellers" means the parties identified as "Shareholders" in the Stock Purchase Agreement.

"Stock Purchase Agreement" means the stock purchase agreement to which this Addendum is attached.

"Sellers' Registrable Shares" means all Common Stock issued to Sellers pursuant to the terms of the Stock Purchase Agreement and all Common Stock issued with respect to such Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, reorganization or otherwise.

Section 2. *Registration Rights.*

(a) The Company shall prepare and file a Registration Statement on or before March 31, 2001, providing for the sale of the Registrable Shares by the Sellers pursuant to Rule 415 of the Securities Act or any similar rule that may be adopted by the SEC; however, none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares: (i) before the date on which financial results covering at least thirty (30) days of post-Closing Date (as defined in the Stock Purchase Agreement) combined operations of the Company and Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc., Huval Insurance Agency of Grand Coteau-Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated, each a Louisiana corporation, along with any subsidiaries thereof, have been published by the Company except as otherwise permitted by the Stock Purchase Agreement; (ii) if such sale, transfer, pledge or disposition would prevent the stock purchase pursuant to the Stock Purchase Agreement from being accounted for as a pooling-of-interests; or (iii) while such Registration Statement remains effective, during a period beginning fifteen (15) days before the end of each of the Company's fiscal quarters and ending on the second (2nd) business day following the next release by the Company to the public of quarterly or annual earnings. The Registration Statement may include other securities of the Company designated by the Company and may include securities of the Company being sold for the account of the Company or others.

(b) The provisions of this Section 2 will be subject to the following conditions:

(i) If at any time after the Company files a Registration Statement hereunder the Company decides to make a public offering of securities through one or more underwriters, and an underwriter selected by the Company to manage such proposed underwriting advises the Company that it believes that such underwritten offering could be adversely affected by the concurrent registered offering of Registrable Shares pursuant hereto, then the Company may delay or suspend the filing or effectiveness of such Registration Statement for no more than one hundred eighty (180) days and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares.

(ii) If the Company, in its sole discretion, determines that the filing, maintenance of the effectiveness thereof or the fulfillment of any obligation it has hereunder to update, amend or supplement a Registration Statement would be detrimental to the Company, the Company shall have the right to defer the filing of a Registration Statement hereunder or delay or suspend the effectiveness thereof or suspend or delay fulfilling any obligation it has hereunder to update, amend or supplement a Registration Statement for the period for which such act would be detrimental, and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares; provided, however, that such period may not exceed more than forty-five (45) days.

Section 3. *Expenses.* The Company will pay all Registration Expenses in connection with the registration pursuant to Section 2 of this Addendum, whether or not such registration becomes effective under the Securities Act. Notwithstanding the foregoing, Sellers shall pay all underwriting discounts and commissions, fees and expenses of counsel to the Sellers, and transfer taxes incurred in connection with any registration pursuant to Section 2.

Section 4. Registration Procedures.

(a) With respect to a registration pursuant to Section 2 of this Addendum, the Company, subject to subsection 2(b) above, will use reasonable efforts to promptly effect the registration of the Registrable Shares, and in connection therewith, the Company shall do the following:

(i) prepare and file with the SEC a Registration Statement on or before March 31, 2001, and use reasonable efforts to cause such Registration Statement to become effective;

(ii) prepare and file with the SEC such amendments and post-effective amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continually effective for a period expiring on the earlier of (A) the date there are no longer shares of Common Stock outstanding that constitute Registrable Shares or (B) one (1) year from the Closing Date (as defined in the Stock Purchase Agreement);

(iii) promptly notify Sellers, at any time when a Prospectus relating to Sellers' Registrable Shares covered by the Registration Statement is required to be delivered under the Securities Act, of the occurrence of any event as a result of which the Registration Statement or the Prospectus or any document incorporated therein contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, and the Company shall promptly prepare and file with the SEC and furnish to Sellers a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the Sellers' Registrable Shares, such Prospectus shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) use reasonable efforts to register or qualify the Registrable Shares covered by the Registration Statement for offer and sale under the securities or "blue sky" laws of each state and other U.S. jurisdiction as Sellers reasonably request in writing; however, the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to so qualify, (B) take any action that would subject it to general service of process in any jurisdiction where it would not otherwise be subject to such general service of process, or (C) subject itself to general taxation in any jurisdiction where it would not otherwise be subject; and

(v) use reasonable efforts to cause all Registrable Shares included in such Registration Statement to be listed on the New York Stock Exchange (or any other market on which the Common Stock is then listed).

(b) Sellers, upon receipt of any notice from the Company of the occurrence of any event of the kind described in clause (iii) of subsection 4(a) above, will forthwith discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares until Seller's receipt of the copies of the supplemented or amended Prospectus contemplated by such subsection 4(a) and, if so directed by the Company, Sellers will deliver to the Company all copies, other than permanent file copies then in Sellers' possession, of the most recent Prospectus covering such Sellers' Registrable Shares at the time of receipt of such notice. Seller, upon receipt of any notice from the Company of the issuance of any stop order or blue sky order will forthwith, in the case of any stop order, discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares or, in the case of any blue sky order, discontinue disposition of the Sellers' Registrable Shares in the applicable jurisdiction, until advised in writing of the lifting or withdrawal of such order.

Section 5. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify and hold harmless Sellers, against any and all losses, claims, damages or liabilities, joint or several, and expenses to which any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (i) any materially untrue statement or alleged untrue statement of any material fact contained in any Registration Statement or Prospectus, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; however, the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense (x) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of Sellers specifically for use in the Registration Statement or Prospectus, or (y) results from the fact that a Seller sold Registrable Shares to a Person to whom there was not sent or given, at or before the written confirmation of such sale, a copy of the Prospectus, if the Company had previously made available to such Seller copies thereof and such Prospectus, as then amended or supplemented, corrected such misstatement or omission, or (z) results from a Seller breaching one or more of its obligations hereunder.

(b) *Indemnification by Sellers.* Sellers will indemnify and hold harmless (in the same manner and to the same extent as set forth in subsection 5(a), including, without limitation, clauses (y) and (z) of the proviso set forth therein) the Company and its directors, officers and controlling persons, each other party registering securities under a Registration Statement and each underwriter, dealer manager or similar securities industry professional participating in the distribution of Seller's Registrable Shares and such securities industry professional's respective directors, officers, partners and controlling persons and any other party offering securities under such Registration Statement, (i) with respect to any statement or alleged statement in or omission or alleged omission from such Registration Statement or Prospectus if such statement or alleged statement or omission or alleged omission was made in reliance upon information furnished to the Company by or on behalf of Sellers for use in such Registration Statement or Prospectus, (ii) results from the fact that Sellers sold Sellers' Registrable Shares to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus if the Company had previously furnished copies thereof to Sellers and such Prospectus, as then amended or supplemented, corrected such misstatements or omission, or (iii) results from such Seller breaching one or more of its obligations hereunder. Sellers will reimburse the indemnified parties for any legal or other costs or expenses incurred in connection with defending any such loss, claim, damage, liability, action or proceeding.

(c) *Notice of Claims, etc.* Promptly after receipt by an indemnified party under subsection 5(a) or (b) of notice of any claim or the commencement of any action or proceeding subject to indemnification thereunder, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under either of such subsections, promptly notify the indemnifying party in writing of the claim or the commencement of the action or proceeding; provided that the failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party under subsection 5(a) or (b) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice. If any such claim, action or proceeding shall be brought against an indemnified party, and it shall timely notify the indemnifying party, the indemnifying party shall be entitled to participate in, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim, action or proceeding, the indemnifying party shall not be liable to the indemnified party under, subsection 5(a) or (b) for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; however, such indemnified party shall have the right to employ separate counsel in any such

action and to participate in the defense thereof, but the fees and expenses of such counsel shall be the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim, action or proceeding or has failed to employ counsel reasonably satisfactory to such indemnified party in any such claim, action or proceeding, or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such indemnified party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party that are inconsistent or in conflict with those available to the indemnifying party (in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action or proceeding on behalf of such indemnified party), it being understood, however, that the indemnifying party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for such indemnified party and any other indemnified parties similarly situated, which firm shall be designated in writing by such indemnified parties. The indemnifying party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the indemnifying party agrees to indemnify and hold harmless such indemnified parties from and against any loss or liability by reason of such settlement or judgment.

(d) *Contribution.* If the indemnification provided for in subsection 5(a) or (b) is unavailable or insufficient to hold harmless an indemnified party, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in subsection 5(a) or (b), (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and Sellers on other hand from the sale of the Sellers' Registrable Shares, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and Sellers on the other hand in connection with statements or omissions that resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and Sellers on the other hand shall be deemed to be in the same proportion as the total net proceeds from the issuance and sale of such Registrable Shares (before deducting expenses) received by the Company bear to the total compensation or profit (before deducting expenses) received or realized by Sellers of Sellers' Registrable Shares from the resale of such Registrable Shares. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Sellers of Sellers' Registrable Shares and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and Sellers agree that it would not be just and equitable if contributions pursuant to this subsection 5(d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection 5(d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in the first sentence of this subsection 5(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any claim, action or proceeding (which shall be limited as provided in subsection 5(c) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof) that is the subject of this subsection 5(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding against such party in respect of which a claim for contribution may be made against an indemnifying party under this subsection 5(d), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in subsection 5(c) above has not been given with respect to such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party under this subsection 5(d) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice.

Section 6. *Miscellaneous.*

(a) *Amendments and Waivers.* No waiver, amendment, modification or supplement of any provision of this Addendum, including this subsection 6(a), shall be valid unless it is approved in writing by the Company and the Sellers' Representative.

(b) *Assignment.* Sellers shall not be entitled to assign or transfer any or all of their rights under this Addendum, whether by operation of law or otherwise.

(c) *Termination.* The provisions of this Addendum will terminate with respect to a Seller's Registrable Shares, other than the provisions of Section 5 hereof, which will survive any such termination, as to a Seller when he or she ceases to own Registrable Shares.

STOCK ACQUISITION AGREEMENT

This STOCK ACQUISITION AGREEMENT, dated as of January 13, 2001 (this "Agreement"), is made and entered into by and among BROWN & Brown, Inc., a Florida corporation ("Buyer"), and THOMAS K. HUVAL, a resident of the State of Louisiana, KATHRYN H. PONTIFF, a resident of the State of Louisiana, DALE F. HUVAL, a resident of the State of Louisiana, KENNETH RAY RICHARD, a resident of the State of Louisiana, THADDEUS RICHARD, a resident of the State of Louisiana, WENDELL SCOTT RICHARD, a resident of the State of Louisiana, NANETTE AGNES RICHARD ARNAUD, a resident of the State of Louisiana, and JANET RICHARD WARD, a resident of the State of Louisiana (each a "Shareholder" and collectively, the "Shareholders").

Background

The Shareholders own all of the outstanding capital stock of Huval Richard Insurance Agency, Inc., a Louisiana corporation (the "Company"). The Company is engaged primarily in the insurance agency business in Eunice, Louisiana. The Shareholders wish to transfer all of the outstanding shares of each of the Company to Buyer, and Buyer desires to acquire such shares, upon the terms and conditions expressed in this Agreement. It is the intent of the parties that this transaction qualify for accounting purposes as a pooling-of-interests transaction and as a tax-free exchange under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

THEREFORE, in consideration of the respective representations, warranties, covenants and agreements set forth herein, the parties agree as follow:

Article 1

The Acquisition

Section 1.1 *Acquisition and Transfer of Shares.* On and subject to the terms and conditions of this Agreement, Buyer agrees to acquire all of the issued and outstanding shares of capital stock of the Company, as more fully set forth in Schedule 3.3 (collectively, the "Company Shares"), from the Shareholders and the Shareholders agree to transfer all of the Company Shares to Buyer, free and clear of all liens and encumbrances. The Company Shares shall be transferred to Buyer for the consideration specified in Section 1.2.

Section 1.2 *Consideration.* The consideration for the Company Shares shall be the issuance of shares of common stock of Buyer to the Shareholders. The number of shares of common stock of Buyer to be issued to the Shareholders shall be 365 (the "Buyer Shares"), which is an amount, rounded to the nearest whole number, equal to (a) \$12,143.97 (the "Purchase Price"), divided by (b) \$33.3042 (the "Average Price").

Section 1.3 *Delivery of Buyer Shares.* (a) The Buyer Shares shall be issued to the Shareholders as follows:

(i) ten percent (10%) of the Buyer Shares shall be pledged to Buyer as partial security for the indemnification obligations of the Shareholders under Article 8 hereof (the "Pledged Shares"). These Pledged Shares, subject to any reduction in number as may be necessary to satisfy the Shareholders' indemnification obligations, shall be delivered to the Shareholders one (1) year after the Closing Date, in accordance with the terms of the Pledge Agreement attached hereto as Exhibit 2.2(a)(iii).

(ii) The remainder of the Buyer Shares shall be delivered to the Shareholders at the Closing (as defined in Section 2.1 hereof). The total number of Buyer Shares to be issued to the Shareholders will be issued as follows: (A) eighteen and sixty-eight one-hundredths percent (18.68%) percent of the shares will be issued to each of Thomas K. Huval and Kathryn H. Pontiff; (B) eighteen and sixty-nine one-hundredths percent (18.69%) of the shares will be issued to Dale F. Huval; and (C) eight and seventy-nine one-hundredths percent (8.79%) of the shares will be issued to each of Kenneth Ray Richard, Janet Marie Richard Ward, Nanette Agnes Richard Arnaud, Wendell Scott Richard, and Thaddeus Richard.

(b) The parties agree that the dollar value of each Buyer Share shall be the Average Price for all purposes in determining (i) the number of Buyer Shares to be issued under Section 1.2 hereof, (ii) the number of Buyer Shares to be pledged under this Section 1.3, or (iii) the number of Pledged Shares Buyer may withhold to satisfy an indemnifiable claim, notwithstanding the actual market value of such shares (in each case with respect to clauses (i), (ii) or (iii), as adjusted for any stock splits or stock dividends).

Section 1.4 *Accounting and Tax Treatment.* The parties agree (a) to structure this transaction as a tax-free exchange, and (b), as more fully described in Section 9.6 to this Agreement, to treat this transaction for accounting purposes as a pooling-of-interests transaction and to take all actions necessary to characterize the transaction as such.

Section 1.5 *Registration of Buyer Shares.* The Shareholders and Buyer shall have the rights and obligations set forth in the Registration Rights Addendum attached hereto with respect to the registration of the Buyer Shares for sale and other matters addressed therein.

Article 2

Closing, Items to be Delivered,

Further Assurances, and Effective Date

Section 2.1 Closing. The consummation of transactions contemplated under this Agreement (the "Closing") will take place at 9 a.m., local time, on January 13, 2001 (the "Closing Date"), at the offices of Huval Insurance Agency, Inc., located at 102 Asma Boulevard, Suite 300, Lafayette, Louisiana 70508, unless another date or place is agreed to in writing by the parties hereto.

Section 2.2 Closing Obligations. At the Closing:

(a) The Shareholders will deliver to Buyer:

(i) certificates representing the Company Shares to Buyer, properly endorsed for transfer or with executed stock powers attached, for transfer to Buyer;

(ii) a release in the form of Exhibit 2.2(a)(ii), executed by each of the Shareholders (the "Release");

(iii) a pledge agreement in the form of Exhibit 2.2(a)(iii), executed by each of the Shareholders (the "Pledge Agreement"), along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares;

(iv) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Shareholders' Counsel");

(v) employment agreements in the form of Exhibit 2.2(a)(v), executed by those Shareholders to whom Buyer has offered employment (collectively, "Shareholder Employment Agreements");

(vi) evidence to Buyer's satisfaction that the Company has terminated all of its Employee Benefits Plans (other than Employee Welfare Benefit Plans), with such termination effective prior to the Closing Date; and

(b) Buyer shall deliver to the Shareholders:

(i) certificates representing the number of Buyer Shares to be issued to the Shareholders at the Closing pursuant to Section 1.3(b) hereof;

(ii) written opinion of counsel dated as of the Closing Date in substantially the form of Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer (the "Opinion of Buyer's Counsel"); and

(iii) the Shareholder Employment Agreements, executed by Buyer.

Section 2.4 Mutual Performance. At or prior to the Closing, the parties hereto shall also deliver to each other the agreements, certificates, and other documents and instruments referred to in Articles 6 and 7 hereof.

Section 2.5 Third Party Consents. To the extent that the Company Shares may not be transferred to Buyer hereunder without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to transfer the same if an attempted transfer would constitute a breach thereof or be unlawful, and the Shareholders, at their expense, shall use their best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted transfer would be ineffective or would impair Buyer's rights so that Buyer would not in effect acquire the benefit of all such rights, the Shareholders, to the maximum extent permitted by law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

Section 2.6 Further Assurances. From time to time after the Closing, the Shareholders will execute, acknowledge and deliver to Buyer such other instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably request in order to vest more effectively in Buyer, or to put Buyer more fully in possession of, the Company Shares. Each of the parties hereto will cooperate with the others and execute and deliver to the other parties such other instruments and documents and take such other actions as may be reasonably requested from time to time by such other party as necessary to carry out, evidence and confirm the intended purposes of this Agreement.

Section 2.7 Effective Date. The Effective Date of this Agreement and all related instruments executed at the Closing shall be the Closing Date.

Article 3

Representations and Warranties of the Shareholders

The Shareholders represent and warrant to Buyer as follows:

Section 3.1 *Organization.* The Company is a corporation organized and in good standing under the laws of Louisiana and its status is active. The Company has all requisite corporate power and authority and all necessary governmental approvals to own, lease, and operate its properties and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the conduct of its insurance agency business requires it to be so qualified.

Section 3.2 *Authority.* The Shareholders have the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Shareholders and constitutes their valid and binding obligation, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect which offset creditors' rights generally, and general equitable principles.

Section 3.3 *Capitalization.* Schedule 3.3 sets forth the number and par value of the shares that each of the Shareholders holds in the Company. Collectively, the Company Shares constitute all of the issued and outstanding shares of capital stock of the Company. All of the Company Shares have been duly issued and are fully paid and nonassessable. All of the Company Shares are owned and held by the Shareholders, free and clear of all liens, encumbrances or other third-party rights of any kind whatsoever. There are no outstanding agreements, options, rights or privileges, whether preemptive or contractual, to acquire shares of capital stock or other securities of any of the Company.

Section 3.4 *Corporate Records.* The Shareholders have delivered to Buyer correct and complete copies of the Articles of Incorporation and Bylaws of each Company, each as amended to date. The minute books containing the records of meetings of the shareholders, board of directors, and any committees of the board of directors, the stock certificate books, and the stock record books of each Company are correct and complete and have been made available for inspection by Buyer. The Company is not in default under or in violation of any provision of its Articles of Incorporation or Bylaws.

Section 3.5 *Consents and Approvals; No Violations.* Neither the execution, delivery or performance of this Agreement by the Shareholders nor the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will (a) except with respect to any options or rights of first refusal in favor of the Company (which options or rights the Shareholders shall cause the Company to reject prior to Closing), conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of the Company, (b) except for any necessary filings with the Louisiana Secretary of State or Department of Insurance, require any filing with, or permit, authorization, consent, or approval of, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority or agency (each a "Governmental Entity"), (c) except with respect to certain indebtedness which shall be paid off in connection with the Closing, result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions, or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which any of the Shareholders or the Company is a party or by which any of the Shareholders or the Company or any of their respective properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Shareholders or the Company, or any of their respective properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect on the Company or Buyer's ownership of the Company Shares.

Section 3.6 *No Third Party Options.* There are no existing agreements, options, commitments, or rights with, of or to any person to acquire any of the Company's securities, assets, properties or rights, or any interests therein.

Section 3.7 *Financial Statements.* The Shareholders have delivered to Buyer true and complete copies of the Company's consolidated balance sheet as of December 31, 2000 (the "Balance Sheet Date") and the related statement of income for the twelve (12) months then ended, all of which have been prepared in accordance with generally accepted accounting principles, consistently applied throughout the periods involved. Such balance sheets fairly present the consolidated financial position, assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company at the dates indicated and such statements of income fairly present the results of operations for the periods then ended. The Company's financial books and records are accurate and complete in all material respects.

Section 3.8 *Absence of Certain Changes.* Since the Balance Sheet Date, there have been no events or changes having a material adverse effect on the assets, liabilities, financial condition or operations of the Company or, to the Shareholders' or the Company's Knowledge (as defined in Section 10.2 of this Agreement), on the future prospects of the Company. Since the Balance Sheet Date, no Company has made any distributions or payments to any of the Shareholders (other than normal compensation that may have been paid to the Shareholders in their capacity as bona fide employees) and has not entered into any agreements other than in the ordinary course of business. Since the Balance Sheet Date, each Company has carried on business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and has not taken any unusual actions in contemplation of this transaction except to the extent that Buyer has given its prior specific consent.

Section 3.9 *Assets.* (a) Except as set forth in Schedule 3.9(a)-(1), the Company owns and holds, free and clear of any lien, charge, pledge, security interest, restriction, encumbrance or third-party interests of any kind whatsoever (including insurance company payables), sole and exclusive right, title, and interests in and to the customer expiration records for those customers listed in Schedule 3.9(a)-(2), together with the exclusive right to use such records and all customer

accounts, copies of insurance policies and contracts in force, and all files, invoices and records pertaining to the customers, their contracts and insurance policies, and all related information. All customer accounts listed in Schedule 3.9(a)-(2) represent current customers of the Company and none of such accounts has been cancelled or transferred as of the date hereof.

(b) The name "The Huval Companies" is the only trade name used by the Company within the past three (3) years. No party has filed a claim during the past three (3) years against the Company alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party, or, if so, the claim has been settled with no existing liability to the Company and, to the Knowledge of the Shareholders or the Company, the Company has not violated or infringed any trademark, trade name, service mark, service name, patent, copyright or trade secret held by others.

(c) The computer software of the Company performs in a manner sufficient to operate the businesses of the Company as such businesses have historically been operated. The Shareholders have delivered to Buyer complete and correct copies of all user and technical documentation related to such software.

(d) The Company owns or leases all tangible assets necessary for the conduct of its business. All equipment, inventory, furniture and other assets owned or used by the Company in its business are in a state of good repair and maintenance, having regard for the purposes of which they are used, and the purposes for which such assets are used and for which they are held by the Company are not in violation of any statute, regulation, covenant or restriction. The Company owns or leases all office furniture, fixtures and equipment in its respective office locations.

(e) All notes and accounts receivables of the Company are reflected properly on its books and records, are valid receivables subject to no set-offs or counterclaims either asserted to date or of which the Shareholders or the Company has Knowledge, are presently current and collectible, net of reserves for bad debt, and will be collected in accordance with their terms at their recorded amounts. All of the Company's accounts payable, including accounts payable to insurance carriers, are current and reflected properly on the Company's books and records, and will be paid in accordance with their terms at their recorded amounts.

Section 3.10 *Undisclosed Liabilities.* The Company has no liabilities, and, to the Shareholders' or the Company's Knowledge, there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand against the Company giving rise to any liability, except (a) those liabilities reflected in the December 31, 2000 consolidated balance sheet of the Company, (b) liabilities which have arisen after the Balance Sheet Date in the ordinary course of business (none of which relates to any claim asserted with respect to any breach of contract, breach of warranty, tort, infringement, or violation of law, or arose from any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand), or (c) Incurred-But-Not-Reported (IBNR) health insurance claims by any plan participants. The Company has not guaranteed the obligations of any third party, including, without limitation, guarantees relating to premium financing on behalf of its customers.

Section 3.11 *Litigation and Claims.* Except as disclosed in Schedule 3.11, there is no suit, claim, action, proceeding or investigation pending or, to the Shareholders' or the Company's Knowledge, threatened against the Company, and there is no basis for such a suit, claim, action, proceeding or investigation. The Company is subject to any outstanding order, writ, injunction or decree which, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have an adverse effect on the Company or would prevent the Shareholders from consummating the transactions contemplated hereby. No voluntary or involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to the Shareholders or the Company has been filed by or, to the Knowledge of the Shareholders or the Company, against the Shareholders or the Company, nor will the Shareholders or the Company file such a petition prior to the Closing Date or for one hundred (100) days thereafter, and if such petition is filed by others, the same will be promptly discharged. Each of the Shareholders is solvent on the date hereof and will be solvent on the Closing Date. Neither the Shareholders nor the Company has, and at the Closing Date will not have, made any assignment for the benefit of creditors, or admitted in writing insolvency or that its property at fair valuation will not be sufficient to pay its debts, nor will the Shareholders permit any judgment, execution, attachment, or levy against them or their properties to remain outstanding or unsatisfied for more than ten (10) days.

Section 3.12 *Compliance with Applicable Law.* The Company holds all permits, licenses, variances, exemptions, orders, and approvals of all Governmental Entities necessary for the lawful conduct of its business (collectively, the "Permits"). The Company is in compliance with the terms of the Permits, except where the failure to comply would not have an adverse effect. The Company is not conducting business in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future will not, have an adverse effect on its business. As of the date of this Agreement, no investigation or review by any Governmental Entity with respect to the Company is pending or, to the Knowledge of the Shareholders or the Company, threatened, nor has any Governmental Entity indicated an intention to conduct the same.

Section 3.13 *Tax Returns and Audits.* The Company has timely filed all federal, state, local and foreign tax returns required to be filed by it or has paid or made provision for the payment of any penalty or interests arising from the late filing of any such return, has correctly reflected all taxes required to be shown thereon, and the Company has fully paid or made adequate provision for the payment of all taxes that have been incurred or are due and payable pursuant to such returns or pursuant to any assessment with respect to taxes in such jurisdictions, whether or not in connection with such returns. There are no circumstances or pending questions relating to Known potential tax liabilities nor claims asserted for taxes or assessments of the Company that, if adversely determined, could result in a tax liability arising out of any pre-Closing

actions, omissions or other circumstances that may be assessed during any period prior to, including, or beginning after the Closing Date or on the Company's pre-Closing practices in computing or reporting taxes. To the Shareholders' or the Company's Knowledge, no federal income tax or information return for the Company is currently the subject of an audit by the Internal Revenue Service. The Company has not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

Section 3.14 *Contracts.* (a) Schedule 3.14 lists all material contracts, agreements and other written arrangements to which the Company is a party, including, without limitation, the following:

- (i) any written arrangement (or group of written arrangements) for the furnishing or receipt of services that calls for performance over a period of more than one (1) year;
- (ii) any written arrangement concerning a partnership or joint venture;
- (iii) any written arrangement (or group of written arrangements) under which the Company has created, incurred or assumed or may create, incur or assume indebtedness (including capitalized lease obligations) involving more than \$10,000 or under which it has imposed (or may impose) a security interest on any of its assets, tangible or intangible;
- (iv) any employment agreement;
- (v) any written arrangement concerning confidentiality or non-competition;
- (vi) any written arrangement involving the Company and its present or former affiliates, officers, directors or shareholders;
- (vii) any written arrangement under which the consequences of a default or termination could have a material adverse effect on the assets, liabilities, business, financial condition, operations or future prospects of the Company; or
- (viii) any other written arrangement (or group of related arrangements) either involving more than \$10,000 or not entered into in the ordinary course of business.

(b) The Company is not a party to any verbal contract, agreement or other arrangement which, if reduced to written form, would be required to be listed in Schedule 3.14. The Shareholders have delivered to Buyer a correct and complete copy of each written arrangement, as amended to date, listed in Schedule 3.14. Each such contract, agreement and written arrangement is valid and enforceable in accordance with its terms, and no party is in default under any provision thereof.

Section 3.15 *Non-Solicitation Covenants.* The Company is not a party to any agreement that restricts its ability to compete in the insurance agency industry or solicit specific insurance accounts.

Section 3.16 *Insurance Policies.* Schedule 3.16 sets forth a complete and correct list of all insurance policies held by the Company with respect to its business, and true and complete copies of such policies have been delivered to Buyer. The Company has complied with all the provisions of such policies and the policies are in full force and effect.

Section 3.17 *Errors and Omissions.* The Company has not incurred any liability or taken or failed to take any action that may reasonably be expected to result in a liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance. All errors and omissions lawsuits and claims currently pending or threatened against the Company are set forth in Schedule 3.11. The Company has errors and omissions (E&O) insurance coverage in force, with minimum liability limits of \$3 million per claim and \$6 million aggregate, with a deductible of \$25,000 per claim and \$50,000 aggregate, and the Shareholders will provide to Buyer a certificate of insurance evidencing such coverage prior to or on the Closing Date. The Company has had the same or higher levels of coverage continuously in effect for at least the past five (5) years (or, if a period shorter than five (5) years, since the Company's inception).

Section 3.18 *Employees.* Except as disclosed in Schedule 3.14, all employees of the Company are employees at will, and the Company is not a party to any written contract of employment. None of the Company's employees is currently being treated for a major medical condition.

Section 3.19 *Employee Benefit Plans.* Schedule 3.19 lists each Employee Benefit Plan (as defined below) that the Company or any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001 of ERISA (as defined below) (a "Company ERISA Affiliate") maintains or to which the Company or the Company ERISA Affiliate contributes.

(a) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all respects with the applicable requirements of ERISA, the Code, and other applicable laws. No such Employee Benefit Plan is under audit by the Internal Revenue Service or the Department of Labor.

(b) All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-1s, and summary plan descriptions) have been filed or distributed appropriately with respect to each such Employee Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA and of Code Section 4980B have been met with respect to each such Employee Benefit Plan that is an "Employee Welfare Benefit Plan" as such term is defined in ERISA Section 3(1).

(c) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been paid to each such Employee Benefit Plan that is an "Employee Pension Benefit Plan" as such term is defined in ERISA Section 3(2), and all contributions for any period ending on or before the Closing Date that are not yet due have been paid to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Company. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(d) Each such Employee Benefit Plan that is an Employee Pension Benefit Plan meets the requirements of a "qualified plan" under Code Section 401(a) and has received, within the last two (2) years, a favorable determination letter from the Internal Revenue Service.

(e) The market value of assets under each such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any "Multiemployer Plan" as such term is defined in ERISA Section 3(37)) equals or exceeds the present value of all vested and nonvested liabilities thereunder determined in accordance with Pension Benefit Guaranty Corporation ("PBGC") methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(f) The Company has delivered to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements that implement each such Employee Benefit Plan.

(g) With respect to each Employee Benefit Plan that the Company or the Company ERISA Affiliate maintains or ever has maintained or to which it contributes, ever has contributed, or ever has been required to contribute:

(i) No such Employee Benefit Plan that is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a "Reportable Event" (as such term is defined in ERISA Section 4043) as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the Knowledge of the Shareholders or the Company, threatened.

(ii) There have been no "Prohibited Transactions" as defined in ERISA Section 406 and Code Section 4975 with respect to any such Employee Benefit Plan. No "Fiduciary" as defined in ERISA Section 3(21) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of the Shareholders or the Company, threatened. None of the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any Knowledge of any basis for any such action, suit, proceeding, hearing, or investigation.

(iii) The Company has not incurred, and none of the Company, the Shareholders and the directors and officers (and employees with responsibility for employee benefits matters) of the Company has any reason to expect that the Company shall incur, any liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability) or under the Code with respect to any such Employee Benefit Plan that is an Employee Pension Benefit Plan.

(iv) Neither the Company nor the Company ERISA Affiliate contributes to, nor has ever been required to contribute to, any Multiemployer Plan or has any liability (including withdrawal liability) under any Multiemployer Plan.

(v) Neither the Company nor the Company ERISA Affiliate maintains or contributes, nor has ever maintained or contributed, or has ever been required to contribute to any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than in accordance with Code Section 4980B).

As used in this Agreement, the term "Employee Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan or material fringe benefit plan or program.

Section 3.20 *Intellectual Property.*

(a) The Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property (as defined below) necessary or desirable for the operation of the businesses of the Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by the Company immediately prior to the Closing hereunder shall be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder. Each Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that it owns or uses.

(b) No Company has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and none of the Shareholders and the directors and officers (and employees with responsibility for Intellectual Property matters) of the Company has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the Shareholders or the Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Company.

(c) No Company has any patents issued in its name, or patent applications filed or pending. Schedule 3.20(c) identifies each license, agreement, or other permission the Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). The Shareholders have delivered to Buyer correct and complete copies of all such registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Schedule 3.20(c) also identifies each trade name and registered or unregistered trademark or service mark used by the Company. With respect to each item of Intellectual Property required to be identified in Schedule 3.20(c):

(i) the Company possesses all right, title, and interest in and to the item, free and clear of any security interest, license, or other restriction;

(ii) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and

(iv) the Company has never agreed to indemnify any person or entity for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(d) Schedule 3.20(d) identifies each item of Intellectual Property that any third party owns and that the Company uses pursuant to license, sublicense, agreement, or permission. The Shareholders have delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Schedule 3.20(d):

(i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(ii) the license, sublicense, agreement, or permission shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article 2 above);

(iii) no party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred that with notice or default or permit termination, modification, or acceleration thereunder;

(iv) no party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(v) with respect to each sublicense, the representations and warranties set forth in clauses (i) through (iv) above are true and correct with respect to the underlying license;

(vi) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(vii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of the Shareholders or the Company, is threatened that challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(viii) Such Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(e) To the Knowledge of the Shareholders or the Company, no Company shall interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of the continued operation of its businesses as presently conducted and as presently proposed to be conducted.

As used in this Agreement the term "Intellectual Property" means (A) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (B) all trademarks, service marks, trade dress, logos, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (C) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (D) all mask works and all applications, registrations, and renewals in connection therewith, (E) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas,

compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (F) all computer software (including data and related documentation), (G) all other proprietary rights, and (H) all copies and tangible embodiments thereof (in whatever form or medium).

Section 3.22 *Environment, Health, and Safety.*

(a) Each Company and its predecessors and affiliates have complied with all Environmental, Health, and Safety Laws (as defined below), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply. Without limiting the generality of the preceding sentence, each Company and its predecessors and affiliates has obtained and been in compliance with all of the terms and conditions of all permits, licenses, and other authorizations that are required under, and has complied with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables that are contained in, all Environmental, Health, and Safety Laws.

(b) The Company has no liability (and neither the Company or its predecessors and affiliates has handled or disposed of any substance, arranged for the disposal of any substance, exposed any employee or other individual to any substance or condition, or owned or operated any property or facility in any manner that could form the basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against the Company giving rise to any liability) for damage to any site, location, or body of water (surface or subsurface), for any illness of or personal injury to, any employee or other individual, or for any reason under any Environmental, Health, and Safety Law.

(c) All properties and equipment used in the business of each Company and its predecessors and affiliates have been free of asbestos, polychlorinated biphenyls (PCBs), methylene chloride, trichloroethylene, 1, 2-trans-dichloroethylene, dioxins, dibenzofurans, and Extremely Hazardous Substances (as defined below).

(d) As used in this Agreement, the term:

(i) "Environmental, Health, and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Occupational Safety and Health Act of 1970, each as amended, together with all other laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, public health and safety, or employee health and safety, including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes;

(ii) "Extremely Hazardous Substance" has the meaning set forth in Section 302 of the Emergency Planning and Community Right-to-Know Act of 1986, as amended; and

(iii) "Hazardous Materials" means any "toxic substance" as defined in 15 U.S.C. Section 2601 *et seq.* on the date hereof, including materials designated on the date hereof as "hazardous substances" under 42 U.S.C. Section 9601 *et seq.* or other applicable laws, and toxic, radioactive, caustic, or otherwise hazardous substances, including petroleum and its derivatives, asbestos, PCBs, formaldehyde, chlordane and heptachlor.

Section 3.22 *Accounting Matters.* To the Knowledge of the Shareholders or the Company, no "Affiliate" (as defined below) of the Company has, during a period of thirty (30) days prior to the date of this Agreement, sold, pledged, hypothecated, or otherwise transferred or encumbered any capital stock of the Company held by such Affiliate. For purposes of this Agreement, the term "Affiliate" means any officer, director, or owner of ten percent (10%) or more of the voting capital stock of the Company.

Section 3.23 *Securities Law Representations.* (a) The Shareholders were granted access to the business premises, offices, properties, and business, corporate and financial books and records of Buyer. The Shareholders were permitted to examine the foregoing records, to question officers of Buyer, and to make such other investigations as they considered appropriate to determine or verify the business and financial condition of Buyer. Buyer furnished to the Shareholders all information regarding its business and affairs that the Shareholders requested, including, without limitation, (i) Buyer's annual report on Form 10-K for the year ended December 31, 1999, (ii) Buyer's Annual Report to Shareholders for the year ended December 31, 1999, (iii) the Proxy Statement for Buyer's 2000 Annual Meeting of Shareholders, and (iv) Buyer's quarterly reports on Form 10-Q for the three (3) months ended March 31, June 30, and September 30, 2000, respectively.

(b) Each Shareholder recognizes that the Buyer Shares will, when issued, not be registered under the Securities Act of 1933, as amended (the "Securities Act") and will therefore, unless and until a registration statement with respect to the Buyer Shares is declared effective by the Securities and Exchange Commission (the "SEC"), constitute "restricted securities" as defined pursuant to Rule 144(a)(3) under the Securities Act under which means, among other things, that the Shareholders generally will not be able to sell the Buyer Shares for a period of at least one (1) year following the Closing Date, and may not be sold, offered for sale, transferred, pledged, hypothecated or otherwise disposed of except in compliance with the

Securities Act, as such, by way of illustration but without limitation, in compliance the safe harbor provisions of Rule 144; further, the legal consequences of the foregoing mean that the Shareholder must bear the economic risk of the investment in the Buyer Share for an indefinite period of time; further, if the Shareholder desires to sell or transfer all or any part of the Buyer Shares, Buyer may require the Shareholder's counsel to provide a legal opinion that the transfer may be made without registration under the Securities Act; further, other restrictions discussed elsewhere herein may be applicable; further, the Shareholder is subject to the restriction on transfer described herein and Buyer will issue stop transfer orders with Buyer's transfer agent to enforce such restrictions; further, the Buyer Shares will bear a legend restricting transfer; and further, the following paragraph, or language substantially equivalent thereto, will be inserted in or stamped on the certificates evidencing the same:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SHARES HAVE BEEN ACQUIRED FOR INVESTMENT. THIS STOCK MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THE SAME UNDER THE SECURITIES ACT OF 1933 OR OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE SECURITIES LAWS.

(c) Because of their considerable knowledge and experience in financial and business matters, each of the Shareholders is able to evaluate the merits, risks, and other factors bearing on the suitability of the Buyer Shares as an investment. Each of the Shareholders, individually or by virtue of a "purchaser representative" (as defined pursuant to Rule 501(h) under the Securities Act), qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act .

(d) Each Shareholder's annual income and net worth are such that he or she would not now be, and does not contemplate being, required to dispose of any investment in the Buyer Shares, including the risk of losing all or any part of his investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Buyer Shares for an indefinite period.

(e) The Shareholder's acquisition of the Buyer Shares will be solely for his own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Section 3.24 No Misrepresentations. None of the representations and warranties of the Shareholders set forth in this Agreement or in the attached Schedules, notwithstanding any investigation thereof by Buyer, contains any untrue statement of a material fact, or omits the statement of any material fact necessary to render the statements made not misleading.

Article 4

Representations and Warranties of Buyer

Buyer represents and warrants to the Shareholders as follows:

Section 4.1 Organization. Buyer is a corporation organized under the laws of Florida and its status is active. Buyer has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased, or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and be in good standing would not in the aggregate have a material adverse effect.

Section 4.2 Authority. Buyer has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly executed and delivered by Buyer and constitutes its valid and binding obligation, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect which offset creditors' rights generally and general equitable principles.

Section 4.3 Consents and Approvals; No Violations. Neither the execution, delivery or performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of Buyer, (b) require any filing with, or permit authorization, consent, or approval of, any Governmental Entity, except where the failure to obtain such permits, authorizations, consents, or approvals or to make such filings would not have a material adverse effect, (c) result in a violation or breach of, or constitute a default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, or other instrument or obligation to which Buyer is a party or by which Buyer or its properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets, except in the case of (c) or (d) above for violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect.

Section 4.4 SEC Reports and Financial Statements. Buyer has filed with the SEC, and has heretofore made available to the Shareholders true and complete copies of all forms, reports, schedules, statements and other documents required to be filed by it since December 31, 1999 under the Securities Exchange Act of 1934 (the "Exchange Act") or the Securities Act (as such documents have been amended since the time of their filing, collectively, the "Buyer SEC Documents"). The Buyer SEC Documents, including without limitation any financial statements and schedules included therein, at the time filed, (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, and the applicable rules and regulations of the SEC thereunder. The financial statements of Buyer included in the Buyer SEC Documents comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited statements, to normal, recurring audit adjustments) the consolidated financial position of Buyer and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended.

Section 4.5 Absence of Certain Changes. Except as disclosed in the Buyer SEC Documents, since December 31, 1999, there have been no events, changes or events having, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.6 No Undisclosed Liabilities. Except as and to the extent set forth in Buyer's Quarterly Report on Form 10-Q for the period ended September 30, 2000, as of September 30, 2000, Buyer had no liabilities or obligations, whether or not accrued, contingent or otherwise, that would be required by generally accepted accounting principles to be reflected on a consolidated balance sheet of Buyer and its subsidiaries. Since September 30, 2000, Buyer has not incurred any liabilities, whether or not accrued, contingent or otherwise, outside the ordinary course of business or that would have, individually or in the aggregate, a material adverse effect on Buyer.

Section 4.7 Litigation. Except as disclosed in the Buyer SEC Documents filed prior to the date of this Agreement, there is no suit, claim, action, proceeding or investigation pending or, to the best Knowledge of Buyer, threatened against Buyer or any of its subsidiaries before any Governmental Entity that, individually or in the aggregate, is reasonably likely to have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated by this Agreement. Except as disclosed in the Buyer SEC Documents, neither Buyer nor any of its subsidiaries is subject to any outstanding order, writ, injunction or decree that, insofar as can be reasonably foreseen, individually or in the aggregate, in the future would have a material adverse effect on Buyer or would prevent Buyer from consummating the transactions contemplated hereby.

Section 4.8 Accounting Matters. To the best Knowledge of Buyer, neither Buyer nor any of its affiliates has through the date of this Agreement taken or agreed to take any action that (without giving effect to any action taken or agreed to be taken by the Company or any of its affiliates) would prevent the parties from accounting for the transaction to be effected by this Agreement as a pooling of interests.

Section 4.9 Errors and Omissions. Buyer has not incurred any material liability or taken or failed to take any action that may reasonably be expected to result in a material liability for errors or omissions in the conduct of its insurance business, except such liabilities as are fully covered by insurance and those disclosed in the Buyer SEC Documents. Buyer has errors and omission (E&O) insurance coverage in force, with minimum liability limits of \$35,000,000.00 per occurrence and \$35,000,000.00 aggregate, with a deductible of \$250,000.00.

Section 4.10 Securities Law Representations. (a) Buyer was granted access to the business premises, offices, properties, and business, corporate and financial books and records of the Company. Buyer was permitted to examine the foregoing records, to question officers of the Company, and to make such other investigations as it considered appropriate to determine or verify the business and financial condition of the Company. The Shareholders furnished to Buyer all information regarding the business and affairs of the Company that Buyer requested.

(b) Because of its considerable knowledge and experience in financial and business matters, Buyer is able to evaluate the merits, risks, and other factors bearing on the suitability of the Company Shares as an investment. Buyer qualifies as an "accredited investor" as defined under Rule 501(a) under the Securities Act.

(c) Buyer's annual income and net worth are such that it would not now be, and does not contemplate being, required to dispose of any investment in the Company Shares, including the risk of losing all or any part of its investment and the inability to sell, transfer, pledge, or otherwise dispose of any of the Company Shares for an indefinite period. Buyer recognizes that the Company Shares will not be registered under the Securities Act of 1933 and will therefore constitute "restricted securities," which means, among other things, that Buyer generally will not be able to sell the Company Shares for a period of at least one (1) year following the Closing Date.

(d) Buyer's acquisition of the Company Shares will be solely for its own account, as principal, for investment, and not with a view to, or for resale in connection with, any underwriting or distribution.

Article 6

Additional Agreements

Section 6.1 Access to Information. Upon reasonable notice, the Shareholders shall cause the Company to afford to the officers, employees, accountants, counsel, and other authorized representatives of Buyer full access, during the period prior to the Closing Date, to all of the properties, books, contracts, commitments, records, and senior management of the Company. Unless otherwise required by law, Buyer will hold any such information that is nonpublic in confidence, will not use such information in its business if the transaction does not close, and will promptly return such information if the transaction does not close. After the Closing, upon reasonable notice, Buyer shall cause the Company to afford to the Shareholders and their accountants, counsel and other authorized representatives of the Shareholders reasonable access to the properties, books, contracts, commitments, and records of the Company. Unless otherwise required by law or if necessary to do so in connection with any legal proceeding, or if required by any government or governmental agency or authority, the Shareholders will hold any such information that is nonpublic in confidence; provided, however, that nothing in this Section 6.1 shall be deemed or construed to impair or otherwise limit those covenants set forth in Section 6.13 hereof.

Section 6.2 Expenses. Whether or not the transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by Buyer, for itself, or the Company, on behalf of the Shareholders, for such incurred expenses.

Section 6.3 Brokers or Finders. Each of the parties represents, as to itself, its subsidiaries and its affiliates, that no agent, broker, investment banker, financial advisor, or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement, and each of the parties agrees to indemnify and hold the others harmless from and against any and all claims, liabilities, or obligations with respect to any fees, commissions, or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or its affiliate.

Section 6.4 Additional Agreements; Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties agrees to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including cooperating fully with the other parties.

Section 6.5 Accounting Matters. Each of the Shareholders agrees that they would each be deemed "Affiliates" of the Company (as such term is defined in Section 3.22 of this Agreement) and that, in order to preserve the pooling-of-interests treatment of this transaction, such Shareholder shall not sell, pledge, hypothecate, or otherwise transfer or encumber any Buyer Shares issued to such Shareholder under this Agreement until the final results of at least thirty (30) days of post-Closing combined operations have been published by Buyer, via the issuance of a quarterly earnings report or other means at Buyer's sole discretion.

Section 6.6 Remedy for Breach of Covenants. In the event of a breach of the provisions of Section 6.5, Buyer and the Company shall be entitled to injunctive relief as well as any other applicable remedies at law or in equity. Should a court of competent jurisdiction declare the covenants set forth in Section 6.5 unenforceable due to a unreasonable restriction, duration, geographical area or otherwise, the parties agree that such court shall be empowered and shall grant Buyer, the Company and their affiliates injunctive relief to the extent reasonably necessary to protect their respective interests. The Shareholders acknowledge that the covenants set forth in Sections 6.5 represent an important element of the value of the Company Shares and were a material inducement for Buyer to enter into this Agreement.

Section 6.7 Successor Rights. The covenants contained in Sections 6.5 shall inure to the benefit of any successor in interests of Buyer by way of merger, consolidation, sale or other succession.

Section 6.8 Errors and Omissions Tail Coverage. On or prior to the Closing Date, the Shareholders shall cause the Company to purchase, at the Company's expense, a tail coverage extension on each Company's errors and omissions insurance policy. Such coverage shall extend for a period of at least three (3) years from the Closing Date, shall have the same coverages and deductibles currently in effect, and shall otherwise be in form reasonably acceptable to Buyer. A certificate of insurance evidencing such coverage shall be delivered to Buyer at or prior to Closing.

Section 6.9 Release. The Shareholders each agree on the Closing Date to execute and deliver the Release.

Section 6.10 Pledge Agreement. The parties agree on the Closing Date to enter into the Pledge Agreement.

Section 6.11 Shareholder Employment Agreements. Buyer and each of the Shareholders agree on the Closing Date to enter into the respective Shareholder Employment Agreements.

Section 6.12 Confidentiality. The parties agree to maintain the existence of this transaction and the terms hereof in confidence, until the earliest of the following circumstances occurs: (a) the parties mutually agree to release such information to the public; (b) Buyer or the Shareholders reasonably concludes that such disclosure is required by law; or (c) the Closing has occurred and ownership of the Company Shares has passed to Buyer.

Section 6.13 Preparation of Tax Return. The Shareholders recognize that a year-to-date income tax return must be prepared and filed for each Company as a result of this transaction and that the Shareholders are primarily responsible for causing the preparation of this return; provided, however, that Buyer shall cause the Company to provide the Shareholders and their authorized representatives with reasonable access to the Company's books and records in order to prepare such return. The Shareholders therefore agree to cause the preparation of these returns in accordance with federal filing requirements, at the Company's expense, and deliver them to the Company in advance to review and file. Buyer and the Company shall be solely responsible for any changes they make to the returns prepared by the Shareholders.

Section 6.14 Removal of Restrictive Legend. Upon the Shareholders' written request, at the expiration of the applicable waiting period under Rule 144 (or if and when successfully registered for resale with the SEC), Buyer shall instruct its transfer agent to remove any restrictive legends on those certificates issued to the Shareholders evidencing the Buyer Shares.

Section 6.15 Release of Personal Guarantees. As of Closing, the Shareholders shall be deemed to be released from any personal guarantees made by such Shareholders with respect to any obligation of the Company. Buyer shall cooperate to have such Shareholders released by the Company's creditors from any such personal guarantees and shall indemnify such Shareholders from any Adverse Consequences (as defined in Section 8.2 hereof) arising from such personal guarantees, provided that such Adverse Consequences do not arise as a result of any default prior to the Closing Date by any such Shareholder under such personal guarantee.

Section 6.16 Release of Security Interests. On the Closing Date, the Shareholders shall deliver "payoff letters" from each Company's respective creditors, identifying the amount that must be paid to satisfy the Company's obligations to such creditor as of the Closing Date, and shall cause the Company to pay, with funds provided by Buyer, such amounts in full on the Closing Date. The Shareholders shall cooperate in obtaining releases from the Company's secured creditors of their respective security interests promptly after Closing including, without limitation, causing its secured creditors to execute and file a UCC-3 financing statement in connection with its security interest described in Section 3.9(a).

Article 7

Conditions

Section 7.1 Conditions to Each Party's Obligation. The respective obligations of each party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction prior to or on the Closing Date of the following conditions:

(a) **Approvals.** All authorizations, consents, orders, or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity, the failure to obtain which would have a material adverse effect on the Company, shall have been filed, occurred, or been obtained.

(b) **No Injunctions or Restraints.** No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transaction shall be in effect.

Section 7.2 Conditions to Obligations of Buyer. The obligation of Buyer to effect the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions, unless waived by Buyer:

(a) **Representations and Warranties.** The representations and warranties of the Shareholders set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) **Performance of Obligations by the Shareholders.** The Shareholders shall have performed all obligations required to be performed by them under this Agreement at or prior to the Closing Date.

(c) **Employment Agreements.** Each employee of the Company that Buyer intends to retain shall have executed and delivered to Buyer a copy of Buyer's standard employment agreement, which contains confidentiality and non-solicitation provisions.

(d) **Due Diligence.** Buyer shall be satisfied, in its sole discretion, with the results of its due diligence investigation of the Company including, without limitation, Buyer's real estate and environmental due diligence with respect to the Real Property.

(e) **Opinion of the Shareholders' Counsel.** The Shareholders shall have delivered to Buyer a written opinion of counsel dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(a)(iv) with only such changes therein as shall be in form and substance reasonably satisfactory to Buyer.

(f) **Pledge Agreement.** The Shareholders shall have executed and delivered to Buyer the Pledge Agreement, along with executed stock powers, with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, in connection with the Pledged Shares.

(g) **Release.** Each Shareholder shall have executed and delivered to Buyer the Release.

(h) *Adverse Changes.* There shall have been no material adverse change to the business or financial condition of the Company since the Balance Sheet Date.

(i) *Board Approval.* Buyer's Board of Directors shall have approved this transaction and the issuance of the Buyer Shares to the Shareholders.

(j) *Tangible Net Worth.* Buyer shall be satisfied that the Company, on a consolidated basis, have Tangible Net Worth (as defined herein) as of the Closing Date of at least ten percent (10%) of the Company's consolidated Core Revenue for the twelve (12) month period ended July 31, 2000. For purposes of this Agreement, the term "Tangible Net Worth" shall be calculated as agreed between Buyer and the Shareholders, as set forth in Schedule 7.2(j).

(k) *Appointment by Insurance Carriers.* Buyer shall be satisfied that those insurance carriers of the Company that Buyer wishes to appoint Buyer as their agent are willing to do so as of the Closing Date.

(l) *Termination of Employee Benefit Plans.* Buyer shall be satisfied that each Company has properly terminated all of its Employee Benefit Plans (except for its Employee Welfare Benefit Plans), effective prior to the Closing Date.

(m) *Termination of Liens and Encumbrances.* Buyer shall be satisfied that all liens or other encumbrances on any of the Company Shares and the assets of the Company have been satisfied and released prior to Closing.

(n) *Accounting and Tax Treatment; Securities Exemption.* Buyer shall be satisfied that its acquisition of the Company Shares and related issuance of the Buyer Shares shall qualify (i) for treatment for accounting purposes as a pooling-of-interests transaction and (ii) for an exemption from registration under federal and state securities laws.

(o) *Spousal Consents.* Pursuant to Louisiana community property law, Buyer shall have received executed written consents to this Agreement and the transactions contemplated herein from the respective spouses of the Shareholders.

(p) *Payoff of Company Debt.* The Shareholders shall have delivered to Buyer "payoff" letters from the Company's creditors, and Buyer shall be satisfied that the obligation amounts set forth in such payoff letters have been paid in full by the Company.

(q) *Waiver of Rights of First Refusal.* The Shareholders shall have delivered to Buyer evidence satisfactory to Buyer in its sole discretion that any right of first refusal in favor of the Shareholders and/or any of the Company in connection with the sale of the Company's stock, whether pursuant to the Company's Articles of Incorporation or otherwise, have been waived by the Shareholders and/or the Company, as the case may be.

Section 7.3 Conditions to Obligation of the Shareholders. The obligations of the Shareholders to effect the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, unless waived by the Shareholders:

(a) *Representations and Warranties.* The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) *Performance of Obligations by Buyer.* Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) *Opinion of Buyer's Counsel.* Buyer's Assistant General Counsel shall have delivered to the Shareholders a written opinion dated as of the Closing Date in substantially the form attached hereto as Exhibit 2.2(b)(ii) with only such changes therein as shall be in form and substance reasonably satisfactory to the Shareholders.

Article 8

Indemnification

Section 8.1 Survival of Representations, Warranties, Indemnities and Covenants. The representations, warranties and indemnities set forth in this Agreement and any right to bring an action at law, in equity, or otherwise for any misrepresentation or breach of warranty under this Agreement shall survive for a period of one (1) year from the Closing Date. All post-closing covenants shall survive the Closing for the period specified in this Agreement or, if not specified, for a period of one (1) year following the Closing Date.

Section 8.2 Indemnification Provisions for the Benefit of Buyer. Subject to Section 8.4, the Shareholders, jointly and severally, agree to indemnify and hold Buyer, the Company and its officers, directors and affiliates harmless from and against (a) any amount of those accounts receivable of the Company aged as of the Closing Date over fifty-nine (59) days (the "Aged Accounts Receivable") which remain uncollected as of the one-year anniversary of the Closing Date, net of any reasonable reserve for bad debts, and (b) any and all Adverse Consequences (as defined below) any of such parties may suffer or incur resulting from, arising out of, relating to, or caused by (i) the material breach of any of the Shareholders' representations, warranties, obligations or covenants contained herein, or (ii) the operation of the Company's insurance agency business or ownership of the Company Shares by the Shareholders on or prior to the Closing Date, including, without limitation, any claims or lawsuits based on conduct of the Shareholders, the Company, or its officers, directors or affiliates, occurring before the Closing. For purposes of this Article 8, the phrase "Adverse Consequences" means all

charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations, injunctions, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), obligations, taxes, liens, losses, expenses, and fees, including all attorneys' fees and court costs.

Section 8.3 *Indemnification Provisions for the Benefit of the Shareholders.* Subject to Section 8.4, Buyer agrees to indemnify and hold the Shareholders harmless from and against any and all Adverse Consequences the Shareholders may suffer or incur resulting from, arising out of, relating to, or caused by (a) the material breach of any of Buyer's representations, warranties, obligations or covenants contained herein, or (b) the operation of the insurance agency business of the Company or ownership of the Company Shares by Buyer after the Closing Date, including, without limitation, any claims or lawsuits based on conduct of Buyer, the Company or its officers, directors or affiliates, occurring after the Closing.

Section 8.4 *Maximum Indemnification Amount; Materiality Threshold.* (a) Notwithstanding anything in this Article 8 to the contrary, no party (the Shareholders being considered one party for purposes of this Section 8.4) shall be liable for any otherwise indemnifiable obligations under this Article 8 to the extent such obligations in the aggregate exceed the Purchase Price.

(b) No party (the Shareholders collectively being considered one party for purposes of this Section 8.4) shall be entitled to indemnification hereunder with respect to any claim or claims unless and until the aggregate amount of the indemnified claim or claims exceeds \$111.00. Once such party's claims exceed \$111.00 in the aggregate, such party shall be entitled to be indemnified for the full amount of its claims to the extent such claims exceed such \$111.00 aggregate amount.

Article 9

[INTENTIONALLY OMITTED]

Article 10

Miscellaneous

Section 10.1 *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (if confirmed), or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses or at such other address for a party as shall be specified by like notice:

(a) If to Buyer, to

Brown & Brown, Inc.

401 E. Jackson Street, Suite 1700

Tampa, Florida 33602

Telecopy No.: (813) 222-4464

Attn: Laurel L. Grammig, Esq.

(b) if to the Shareholders, to

Tommy Huval

102 Asma Boulevard

Lafayette, Louisiana 70508

Telecopy No.: (337) 234-5175

with a copy to

Breazeale, Sachse & Wilson, L.L.P.
Twenty-Third Floor, One American Place
Baton Rouge, Louisiana 70821
Telecopy No.: (225) 381-8029
Attn: Van R. Mayhall, Jr.

Section 10.2 *Use of Term "Knowledge".* With respect to the term "Knowledge" or "Known" as used herein: (a) an individual will be deemed to have "Knowledge" of a particular fact or other matter (or such fact or matter will be deemed "Known" if (i) such individual is actually aware of such fact or other matter, or (b) a prudent individual could be expected to discover or otherwise become of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter; and (b) a corporation will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving, who has at any time in the twelve (12) months prior to the

Closing Date served, as a director, officer, employee, executor, or trustee (or in any similar capacity) of such corporation has, or at any time had, Knowledge of such fact or other matter.

Section 10.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.4 Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 10.5 Assignment. Except as contemplated in Section 6.8 hereof, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 10.6 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 10.7 Joint Efforts. This Agreement is the result of the joint efforts and negotiations of the parties hereto, with each party being represented, or having the opportunity to be represented, by legal counsel of its own choice, and no singular party is the author or drafter of the provisions hereof. Each of the parties assumes joint responsibility for the form and composition of this Agreement and each party agrees that this Agreement shall be interpreted as though each of the parties participated equally in the composition of this Agreement and each and every provision and part hereof. The parties agree that the rule of judicial interpretation to the effect that any ambiguity or uncertainty contained in an agreement is to be construed against the party that drafted the agreement shall not be applied in the event of any disagreement or dispute arising out of this Agreement.

Section 10.8 Headings. All paragraph headings herein are inserted for convenience of reference only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

Section 10.9 Severability. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be illegal, invalid or unenforceable, either in whole or in part, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or covenants, or any part thereof, all of which shall remain in full force and effect.

Section 10.10 Attorneys' Fees. The prevailing party in any proceeding brought to enforce the provisions of this Agreement shall be entitled to an award of reasonable attorneys' fees and costs incurred at both the trial and appellate levels incurred in enforcing its rights hereunder.

Section 10.11 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles thereof.

IN WITNESS WHEREOF, the parties have signed or caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

BUYER:

BROWN & BROWN, INC.

By: /S/ THOMAS M. DONEGAN, JR.

Name: Thomas M. Donegan, Jr.

Title: Vice President

SHAREHOLDERS:

/S/ THOMAS K. HUVAL

Thomas K. Huval, individually

/S/ KATHRYN H. PONTIFF

Kathryn H. Pontiff, individually

/S/ DALE F. HUVAL

Dale F. Huval, individually

/S/ KENNETH RAY RICHARD BY

IRA RICHARD AS AGENT

Kenneth Ray Richard, individually

/S/ THADDEUS RICHARD BY

IRA RICHARD AS AGENT

Thaddeus Richard, individually

/S/ WENDELL SCOTT RICHARD BY

IRA RICHARD AS AGENT

Wendell Scott Richard, individually

/S/ NANETTE AGNES RICHARD ARNAUD BY

IRA RICHARD AS AGENT

Nanette Agnes Richard Arnaud, individually

/S/ JANET RICHARD WARD BY

IRA RICHARD AS AGENT

Janet Richard Ward, individually

SCHEDULES AND EXHIBITS

Schedule 3.3: Capitalization

Schedule 3.11: Litigation and Claims

Schedule 3.14: Material Contracts

Schedule 3.16: Insurance Policies

Schedule 3.19: Employee Benefit Plans

Schedule 3.20(c): Owned Intellectual Property

Schedule 3.20(d): Licensed Intellectual Property

Schedule 7.2(j): Tangible Net Worth

Exhibit 2.2(a)(iii): Pledge Agreement

Exhibit 2.2(a)(ii): Release

Exhibit 2.2(a)(iv): Opinion of the Shareholders' Counsel

Exhibit 2.2(a)(v): Shareholder Employment Agreement

Exhibit 2.2(b)(ii): Opinion of Buyer's Counsel

G:\JHAYES\LOUISIAN\HUVAL\SPA_HRIA.doc

ADDENDUM TO STOCK PURCHASE AGREEMENT

REGISTRATION RIGHTS PROVISIONS

Section 1. Definitions. As used in this Addendum, the following terms have the meanings specified below and include the plural as well as the singular:

"*Common Stock*" means the Company's common stock, par value \$0.10 per share.

"*Company*" means Brown & Brown, Inc., a Florida corporation.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"*Governmental Authority*" means any nation or government, any state or other political subdivision thereof and any court, panel, judge, board, bureau, commission, agency or other entity, body or other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*NASD*" means the National Association of Securities Dealers, Inc.

"*Person*" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"*Prospectus*" means the prospectus included in any Registration Statement at the time the same becomes effective, as amended or supplemented by any prospectus supplement, including post-effective amendments and all material incorporated by reference in the prospectus.

"*Registrable Shares*" means the Sellers' Registrable Shares. All such securities shall cease to be Registrable Shares when they (i) have been distributed to the public pursuant to an offering registered under the Securities Act, (ii) become eligible to be sold to the public through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force), or (iii) are sold by Sellers.

"*Registration Expenses*" means all expenses incident to the Company's performance of or compliance with this Addendum, including, without limitation, all SEC and stock exchange or NASD registration and filing fees and expenses, fees and expenses of compliance with securities or blue sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Shares), printing expenses, messenger and delivery expenses, the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange or national market system on which similar securities issued by the Company are then listed, fees and disbursements of counsel for the Company and all independent certified public accountants (including the expenses of any annual audit, special audit, if necessary, and "cold comfort" letters required by or incident to such performance and compliance and the fees and expenses of any special experts retained by the Company); however, the Company shall not be responsible for any underwriting discounts or commissions, fees and expenses of counsel to Sellers or transfer taxes, if any, attributable to the sale of Sellers' Registrable Shares.

"*Registration Statement*" means any registration statement of the Company that covers any of the Registrable Shares pursuant to the provisions of this Addendum, including all pre-effective amendments and post-effective amendments thereto, the Prospectus and supplements thereto, all exhibits, and all materials incorporated by reference in the Registration Statement.

"*SEC*" means the Securities and Exchange Commission or any successor thereof.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"*Seller Representative*" means Thomas K. Huval, or any other person designated in a writing signed by the Sellers and delivered to the Company in accordance with the notice provisions of the Stock Purchase Agreement, to act as their representative under this Addendum.

"*Sellers*" means the parties identified as "Shareholders" in the Stock Purchase Agreement.

"*Stock Purchase Agreement*" means the stock purchase agreement to which this Addendum is attached.

"*Sellers' Registrable Shares*" means all Common Stock issued to Sellers pursuant to the terms of the Stock Purchase Agreement and all Common Stock issued with respect to such Common Stock by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, reorganization or otherwise.

Section 2. Registration Rights.

(a) The Company shall prepare and file a Registration Statement on or before March 31, 2001, providing for the sale of the Registrable Shares by the Sellers pursuant to Rule 415 of the Securities Act or any similar rule that may be adopted by the SEC; however, none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares: (i) before the date on which financial results covering at least thirty (30) days of post-Closing Date (as defined in the Stock Purchase Agreement) combined operations of the Company and Huval Insurance Agency, Inc., Huval Insurance Agency of Abbeville, Inc., Huval Insurance Agency of Arnaudville, Inc., Huval Insurance Agency of Church Point, Inc, Huval Insurance Agency of Grand Coteau-

Sunset, Inc., Huval Insurance Agency of Lafayette, Inc., Huval Insurance Agency of Loreauville, Inc., Huval Insurance Agency of New Iberia, Inc., Huval Insurance Agency of Opelousas, Inc., Huval Insurance Agency of Scott, Inc., Huval Management Company, Inc., and Insurance Programs Incorporated, each a Louisiana corporation, along with any subsidiaries thereof, have been published by the Company except as otherwise permitted by the Stock Purchase Agreement; (ii) if such sale, transfer, pledge or disposition would prevent the stock purchase pursuant to the Stock Purchase Agreement from being accounted for as a pooling-of-interests; or (iii) while such Registration Statement remains effective, during a period beginning fifteen (15) days before the end of each of the Company's fiscal quarters and ending on the second (2nd) business day following the next release by the Company to the public of quarterly or annual earnings. The Registration Statement may include other securities of the Company designated by the Company and may include securities of the Company being sold for the account of the Company or others.

(b) The provisions of this Section 2 will be subject to the following conditions:

(i) If at any time after the Company files a Registration Statement hereunder the Company decides to make a public offering of securities through one or more underwriters, and an underwriter selected by the Company to manage such proposed underwriting advises the Company that it believes that such underwritten offering could be adversely affected by the concurrent registered offering of Registrable Shares pursuant hereto, then the Company may delay or suspend the filing or effectiveness of such Registration Statement for no more than one hundred eighty (180) days and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares.

(ii) If the Company, in its sole discretion, determines that the filing, maintenance of the effectiveness thereof or the fulfillment of any obligation it has hereunder to update, amend or supplement a Registration Statement would be detrimental to the Company, the Company shall have the right to defer the filing of a Registration Statement hereunder or delay or suspend the effectiveness thereof or suspend or delay fulfilling any obligation it has hereunder to update, amend or supplement a Registration Statement for the period for which such act would be detrimental, and during such period none of the Sellers shall sell, transfer, pledge or otherwise dispose of any Registrable Shares; provided, however, that such period may not exceed more than forty-five (45) days.

Section 3. Expenses. The Company will pay all Registration Expenses in connection with the registration pursuant to Section 2 of this Addendum, whether or not such registration becomes effective under the Securities Act. Notwithstanding the foregoing, Sellers shall pay all underwriting discounts and commissions, fees and expenses of counsel to the Sellers, and transfer taxes incurred in connection with any registration pursuant to Section 2.

Section 4. Registration Procedures.

(a) With respect to a registration pursuant to Section 2 of this Addendum, the Company, subject to subsection 2(b) above, will use reasonable efforts to promptly effect the registration of the Registrable Shares, and in connection therewith, the Company shall do the following:

(i) prepare and file with the SEC a Registration Statement on or before March 31, 2001, and use reasonable efforts to cause such Registration Statement to become effective;

(ii) prepare and file with the SEC such amendments and post-effective amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continually effective for a period expiring on the earlier of (A) the date there are no longer shares of Common Stock outstanding that constitute Registrable Shares or (B) one (1) year from the Closing Date (as defined in the Stock Purchase Agreement);

(iii) promptly notify Sellers, at any time when a Prospectus relating to Sellers' Registrable Shares covered by the Registration Statement is required to be delivered under the Securities Act, of the occurrence of any event as a result of which the Registration Statement or the Prospectus or any document incorporated therein contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, and the Company shall promptly prepare and file with the SEC and furnish to Sellers a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the Sellers' Registrable Shares, such Prospectus shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) use reasonable efforts to register or qualify the Registrable Shares covered by the Registration Statement for offer and sale under the securities or "blue sky" laws of each state and other U.S. jurisdiction as Sellers reasonably request in writing; however, the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to so qualify, (B) take any action that would subject it to general service of process in any jurisdiction where it would not otherwise be subject to such general service of process, or (C) subject itself to general taxation in any jurisdiction where it would not otherwise be subject; and

(v) use reasonable efforts to cause all Registrable Shares included in such Registration Statement to be listed on the New York Stock Exchange (or any other market on which the Common Stock is then listed).

(b) Sellers, upon receipt of any notice from the Company of the occurrence of any event of the kind described in clause (iii) of subsection 4(a) above, will forthwith discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares until Seller's receipt of the copies of the supplemented or amended Prospectus contemplated by such subsection 4(a) and, if so directed by the Company, Sellers will deliver to the Company all copies, other than permanent file copies then in Sellers' possession, of the most recent Prospectus covering such Sellers' Registrable Shares at the time of receipt of such notice. Seller, upon receipt of any notice from the Company of the issuance of any stop order or blue sky order will forthwith, in the case of any stop order, discontinue disposition of the Sellers' Registrable Shares pursuant to the Registration Statement covering such Sellers' Registrable Shares or, in the case of any blue sky order, discontinue disposition of the Sellers' Registrable Shares in the applicable jurisdiction, until advised in writing of the lifting or withdrawal of such order.

Section 5. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify and hold harmless Sellers, against any and all losses, claims, damages or liabilities, joint or several, and expenses to which any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses arise out of or are based upon (i) any materially untrue statement or alleged untrue statement of any material fact contained in any Registration Statement or Prospectus, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; however, the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense (x) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of Sellers specifically for use in the Registration Statement or Prospectus, or (y) results from the fact that a Seller sold Registrable Shares to a Person to whom there was not

sent or given, at or before the written confirmation of such sale, a copy of the Prospectus, if the Company had previously made available to such Seller copies thereof and such Prospectus, as then amended or supplemented, corrected such misstatement or omission, or (z) results from a Seller breaching one or more of its obligations hereunder.

(b) *Indemnification by Sellers.* Sellers will indemnify and hold harmless (in the same manner and to the same extent as set forth in subsection 5(a), including, without limitation, clauses (y) and (z) of the proviso set forth therein) the Company and its directors, officers and controlling persons, each other party registering securities under a Registration Statement and each underwriter, dealer manager or similar securities industry professional participating in the distribution of Seller's Registrable Shares and such securities industry professional's respective directors, officers, partners and controlling persons and any other party offering securities under such Registration Statement, (i) with respect to any statement or alleged statement in or omission or alleged omission from such Registration Statement or Prospectus if such statement or alleged statement or omission or alleged omission was made in reliance upon information furnished to the Company by or on behalf of Sellers for use in such Registration Statement or Prospectus, (ii) results from the fact that Sellers sold Sellers' Registrable Shares to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus if the Company had previously furnished copies thereof to Sellers and such Prospectus, as then amended or supplemented, corrected such misstatements or omission, or (iii) results from such Seller breaching one or more of its obligations hereunder. Sellers will reimburse the indemnified parties for any legal or other costs or expenses incurred in connection with defending any such loss, claim, damage, liability, action or proceeding.

(c) *Notice of Claims, etc.* Promptly after receipt by an indemnified party under subsection 5(a) or (b) of notice of any claim or the commencement of any action or proceeding subject to indemnification thereunder, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under either of such subsections, promptly notify the indemnifying party in writing of the claim or the commencement of the action or proceeding; provided that the failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party under subsection 5(a) or (b) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice. If any such claim, action or proceeding shall be brought against an indemnified party, and it shall timely notify the indemnifying party, the indemnifying party shall be entitled to participate in, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim, action or proceeding, the indemnifying party shall not be liable to the indemnified party under, subsection 5(a) or (b) for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; however, such indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be the expense of such indemnified party unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim, action or proceeding or has failed to employ counsel reasonably satisfactory to such indemnified party in any such claim, action or proceeding, or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both such indemnified party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party that are inconsistent or in conflict with those available to the indemnifying party (in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such action or proceeding on behalf of such indemnified party), it being understood, however, that the indemnifying party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for such indemnified party and any other indemnified parties similarly situated, which firm shall be designated in writing by such indemnified parties. The indemnifying party shall not be liable for any settlement of any such action or proceeding effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the indemnifying party agrees to indemnify and hold harmless such indemnified parties from and against any loss or liability by reason of such settlement or judgment.

(d) *Contribution.* If the indemnification provided for in subsection 5(a) or (b) is unavailable or insufficient to hold harmless an indemnified party, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in subsection 5(a) or (b), (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and Sellers on other hand from the sale of the Sellers' Registrable Shares, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and Sellers on the other hand in connection with statements or omissions that resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and Sellers on the other hand shall be deemed to be in the same proportion as the total net proceeds from the issuance and sale of such Registrable Shares (before deducting expenses) received by the Company bear to the total compensation or profit (before deducting expenses) received or realized by Sellers of Sellers' Registrable Shares from the resale of such Registrable Shares. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Sellers of Sellers' Registrable Shares and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and Sellers agree that it would not be just and equitable if contributions pursuant to this subsection 5(d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection 5(d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) or expenses referred to in the first sentence of this subsection 5(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any claim, action or proceeding (which shall be limited as provided in subsection 5(c) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof) that is the subject of this subsection 5(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding against such party in respect of which a claim for contribution may be made against an indemnifying party under this subsection 5(d), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in subsection 5(c) above has not been given with respect to such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party under this subsection 5(d) or otherwise, except to the extent the indemnifying party shall have been materially prejudiced by such failure to give notice.

Section 6. *Miscellaneous.*

(a) *Amendments and Waivers.* No waiver, amendment, modification or supplement of any provision of this Addendum, including this subsection 6(a), shall be valid unless it is approved in writing by the Company and the Sellers' Representative.

(b) *Assignment.* Sellers shall not be entitled to assign or transfer any or all of their rights under this Addendum, whether by operation of law or otherwise.

(c) *Termination.* The provisions of this Addendum will terminate with respect to a Seller's Registrable Shares, other than the provisions of Section 5 hereof, which will survive any such termination, as to a Seller when he or she ceases to own Registrable Shares.

G:\JHAYES\LOUISIAN\HUV\AL\REG_ADD.doc

Consent of Independent Certified Public Accountants

As independent certified public accountants, we hereby consent to the incorporation by reference of our report dated January 19, 2001 on the consolidated financial statements of Brown & Brown, Inc. (the "Company") as of December 31, 2000 and 1999 and for each of the three years in the period ended December 31, 2000, incorporated by reference into the Company's Form 10-K and 10-K/A for the year ended December 31, 2000, into the Company's Form S-3 dated March 30, 2001 for the registration of 327,379 shares of common stock.

/S/ ARTHUR ANDERSEN LLP

Orlando, Florida,

March 27, 2001.

The Board of Directors:

Riedman Corporation:

We consent to the incorporation by reference in this registration statement on Form S-3 of Brown & Brown, Inc., relative to their registration of 327,379 shares of common stock, of our report dated February 23, 2001, with respect to the balance sheet of Riedman Insurance (a division of Riedman Corporation) as of December 31, 2000, and the related statements of income, stockholders' equity and cash flows for the year then ended, which report appears in the Form 8-K/A of Brown & Brown, Inc. dated March 23, 2001, as amended, and to the reference to our firm under the heading "Experts" in the prospectus.

/S/ KPMG LLP

March 28, 2001

Rochester, New York

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ SAMUEL P. BELL II

Samuel P. Bell, III

Dated: March 26, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ J. HYATT BROWN

J. Hyatt Brown

Dated: March 26, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ BRADLEY CURREY, JR.

Bradley Currey, Jr.

Dated: March 27, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ JIM W. HENDERSON

Jim W. Henderson

Dated: March 26, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ THEODORE J. HOEPNER

Theodore J. Hoepner

Dated: March 26, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ DAVID H. HUGHES

David H. Hughes

Dated: March 27, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in

and about the premises as fully to all intents and purposes as she might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ TONI JENNINGS

Toni Jennings

Dated: March 28, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ JOHN R. RIEDMAN

John R. Riedman

Dated: March 26, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ JANE. SMITH

Jan E. Smith

Dated: March 27, 2001

POWER OF ATTORNEY

The undersigned constitutes and appoints Laurel L. Grammig and Thomas M. Donegan, Jr., or either of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign and file a registration statement on Form S-3, and any amendments thereto (including any post-effective amendments), for purposes of registering for re-sale those shares of the common stock of Brown & Brown, Inc. issued in connection with the stock acquisition of the various corporations known collectively as The

Huval Companies, each a Louisiana corporation, which registration statement is to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/S/ CORY T. WALKER

Cory T. Walker

Dated: March 26, 2001

G:\JHAYES\ADMIN\SEC\3\POA_HUV1.doc

CERTIFIED RESOLUTIONS OF THE BOARD OF DIRECTORS

The undersigned, Laurel L. Grammig, hereby certifies that she is the duly elected, qualified and acting Secretary of Brown & Brown, Inc., a Florida corporation (the "Company"), and that the following resolutions were adopted by the Board of Directors of the Company by unanimous written consent dated as of March 26, 2001:

WHEREAS, the Board of Directors has reviewed a draft copy of a registration statement on Form S-3 (the "Registration Statement") for the registration for re-sale of certain shares of the Company's common stock issued pursuant to the Company's acquisition of the outstanding capital stock of the various corporations known collectively as The Huval Companies, each a Louisiana corporation (collectively, the "Acquisition"); and

WHEREAS, the Board of Directors has determined that it is in the Company's best interests to sign and file the Registration Statement with the Securities and Exchange Commission, in accordance with the stock acquisition agreements effectuating the Acquisition;

THEREFORE, it is hereby

RESOLVED, that the March 26, 2001 draft of the Registration Statement submitted to the Directors is hereby approved in form and substance, subject to any revisions, additions, deletions or insertions deemed necessary or appropriate by Laurel L. Grammig, the Company's Vice President, Secretary and General Counsel, and that the Chief Executive Officer and the Chief Financial Officer, or either of them, are hereby authorized to sign the Registration Statement and any amendments thereto (including any post-effective amendments) on behalf of the Company, either personally or through a power of attorney, and to cause the Registration Statement and any amendments thereto (including any post-effective amendments) to be filed with the Securities and Exchange Commission in accordance with the rules promulgated by the Commission;

FURTHER RESOLVED, that the appropriate officers of the Company are hereby authorized and directed to take all actions they deem necessary or appropriate, including the payment of any necessary filing fees, to carry out the intent of the foregoing resolution.

IN WITNESS WHEREOF, the undersigned Secretary of the Company has executed this Certificate this 29th of March, 2001.

/S/ LAUREL L. GRAMMIG

Laurel L. Grammig

Secretary