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OVER SHEET
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U.S. Department of Commerce
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To the Honorable Commissioner o ied original documents or copy thereof.

1. Name of conveying party(ies):

Nine Rivers Technology Corporation

☐ Individual
☐ General Partnership
☒ Corporation-State North Carolina
☐Other
Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies):

Oberlin Capital, L.P.
702 Oberlin Road, Suite 150
Raleigh, North Carolina 27605

☐ Individual(s) citizenship _____
☐ Association _____
☐General Partnership _____
☒ Limited Partnership Delaware
☐Corporation-State _____
☐Other _____

3. Nature of conveyance:

☐Assignment ☐ Merger
☒ Security Agreement ☐Change of Name
☐ Other _____

Execution Date: September 3, 1999

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No
(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or registration number(s)
A. Trademark Application No(s):
75/630,899; 75/468,963; 75/469,295

B. Trademark Registration No(s):
2,172,480; 2,226,259; 2,226,258

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

A. Jose Cortina, Esq.
Kilpatrick Stockton LLP
3737 Glenwood Avenue, Suite 400
Raleigh, North Carolina 27612

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41) $ 165.00

☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number: 16-1435

09/09/1999 JSHABAZZ 00000019 75630899
01 FC:481 40.00 OP
02 FC:482 125.00 OP

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9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

A. Jose Cortina
Name of Person Signing

Signature

September 7, 1999
Date

Total number of pages comprising cover sheet: 1

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Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
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Washington, D.C. 20231

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RALLIB01:521094.01

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (the "Agreement"), dated as of the 3rd day of September, 1999, is made and entered into on the terms and conditions hereinafter set forth, by and between NINE RIVERS TECHNOLOGY CORPORATION, a North Carolina corporation ("Borrower"), and OBERLIN CAPITAL, L.P., a Delaware limited partnership (the "Lender").

RECITALS:

WHEREAS, Borrower has requested that Lender make available to Borrower a loan in the aggregate principal amount of up to $1,500,000 (the "Loan") on the terms and conditions hereinafter set forth, and for the purposes hereinafter set forth; and

WHEREAS, in order to induce Lender to make the Loan to Borrower, Borrower has made certain representations to Lender and Borrower has agreed to issue and sell to Lender warrants to purchase shares of Borrower's common stock; and

WHEREAS, Lender, in reliance upon the representations and inducements of Borrower, has agreed to make the Loan upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the agreement of Lender to make the Loan, the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree as follows:

ARTICLE I

DEBENTURE AND WARRANTS

1.01 Authorization of Debenture and Warrant. Borrower has authorized the issue and sale of (a) its Senior Subordinated Debenture dated of even date herewith, in the aggregate principal amount of up to $1,500,000 (the "Debenture"), which will be in substantially the form attached hereto as Exhibit A, and (b) the Stock Purchase Warrants (the "Warrants"), which will be in substantially the forms attached hereto as Exhibit B and Exhibit C, respectively. For purposes of IRC Treasury Regulations Section 1.1273-2(h), the aggregate fair market value of the Warrants will be deemed to be $10,000 and $0 respectively. Borrower and Lender agree to use the foregoing fair market values for U.S. federal tax purposes with respect to the transactions contemplated by this Agreement (unless otherwise required by final determination by the Internal Revenue Service or a court of competent jurisdiction); provided, however, that the fair market value of the Warrants for purposes of financial reporting will be in accordance with generally accepted accounting principles, consistently applied ("GAAP"). Schedule A sets forth the name

and address of Lender, the principal amount of Lender's Loan, the Warrants issued and sold to Lender, and the fair market value of the Warrants issued and sold to Lender.

1.02 Description of Debenture. The Debenture will be dated the date of issue, to mature on the "Maturity Date" (as defined in the Debenture), and will bear interest from the date of issue at the rate of twelve and one-half percent (12.5%) per annum to maturity, payable monthly in arrears on the last day of each month (with the first such interest payment being due on September 3, 1999) and at maturity, and to bear interest on overdue principal and premium, if any, and on any overdue installment of interest at the rate of eighteen percent (18%) per annum after maturity, whether by acceleration or otherwise, until paid. Interest on the Debenture will be computed on the basis of a 360-day year with twelve (12) equal monthly installments. The Debenture is subject to prepayment or redemption prior to its expressed maturity date on the terms and conditions and in the amounts set forth in the Debenture; provided, however, that any prepayment will be no less than $100,000 or the remaining aggregate principal balance outstanding on the Debenture, if less than $100,000.

1.03 Sale and Purchase of Debenture and Warrants.

(a) Closing. Subject to the terms and conditions hereof and on the basis of the representations and warranties hereinafter set forth, Borrower agrees to issue and sell to Lender, and Lender agrees to purchase from Borrower upon the purchase and sale of the Debenture and Warrants hereunder (the "Closing"), (i) a Debenture in the aggregate principal amount set forth beside Lender's name on Schedule A at a price of 100% of the principal amount thereof, and (ii) the Warrants, which will entitle Lender to purchase shares of Borrower's Common Stock as set forth beside Lender's name on Schedule A (the "Warrant Shares"). Other than the applicable price to be paid upon exercise of the Warrants, Lender will make no additional payment for the Warrants.

(b) Delivery. Delivery of the Debenture and the Warrants will be made at the office of Borrower's counsel against payment therefor by federal funds wire transfer to Borrower's account in immediately available funds and to the accounts and in the amounts in accordance with Borrower's written instructions, on the date hereof, or such later date as Borrower and Lender will agree (the "Closing Date"). The Debenture and the Warrants delivered to Lender on the Closing Date will be delivered to Lender in the form of a single Debenture and two Warrants for the full amount of such purchase by Lender (unless different denominations are specified by Lender, each registered in Lender's name or in the name of such nominee as Lender may specify and, with appropriate insertions) all as Lender may specify at least twenty-four (24) hours prior to the date fixed for delivery.

(c) Investment Representations.

(i) This Agreement is made with Lender in reliance upon Lender's representations to Borrower, which by its acceptance hereof Lender hereby confirms, that the

2.07 Borrower's Obligations Not Impaired. (a) Nothing contained in this Article II or in the Debenture is intended to or will impair, as between Borrower and Lender, the obligation of Borrower, which is absolute and unconditional, to pay Lender the principal of and interest on the Debenture as and when the same will become due and payable in accordance with the terms of the Debenture or is intended to or will affect the relative rights of Lender other than with respect to the holders of the Senior Indebtedness, nor, except as expressly provided in this Article II will anything in this Agreement or therein prevent Lender from exercising all remedies otherwise permitted by applicable law upon the occurrence of an Event of Default under this Agreement or under the Debenture.

(b) If any payment or distribution will be received in respect of the Debenture in contravention of the terms of this Article II, such payment or distribution will be held in trust for the holders of the Senior Indebtedness, and will be immediately delivered to such holders in the same form as received.

2.08 Subordination to First Union. This Agreement is expressly made subject to that certain Subordination and Intercreditor Agreement among First Union National Bank ("FUNB"), Borrower and Lender and dated as of September 3, 1999 ("FUNB Subordination Agreement"). To the extent of any inconsistency between the terms of this Agreement and the terms of the FUNB Subordination Agreement, the terms of the FUNB Subordination Agreement shall control. Without limiting the foregoing, Lender consents to all indebtedness now or hereafter owed by Borrower to FUNB and not prohibited under the terms of the FUNB Subordination Agreement, as well as liens and security interests now or hereafter securing such indebtedness.

ARTICLE III

WARRANTIES

Except as set forth in the Disclosure Schedule, Borrower hereby represents and warrants to Lender as follows:

3.01 Corporate Status. Borrower is a corporation duly organized and validly existing under the laws of its state of incorporation, and has the corporate power to own and operate its properties, to carry on its business as now conducted and to enter into and to perform its obligations under this Agreement, the other Loan Documents to which it is a party, and the Warrants. Borrower is duly qualified to do business and is in good standing in each state in which a failure to be so qualified would have a materially adverse effect on such entity's financial position or its ability to conduct its business in the manner now conducted.

3.02 Subsidiaries. Except as disclosed on Schedule 3.02, Borrower has no subsidiaries and has no direct or indirect ownership interests in any other entity. Borrower owns all of the issued and outstanding capital stock of Subsidiary.

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (the "Agreement"), dated as of the _____ day of August, 1999, is made and entered into on the terms and conditions hereinafter set forth, by and between NINE RIVERS TECHNOLOGY CORPORATION, a North Carolina corporation ("Borrower"), and OBERLIN CAPITAL, L.P., a Delaware limited partnership (the "Lender").

RECITALS:

WHEREAS, Borrower has requested that Lender make available to Borrower a loan in the aggregate principal amount of up to $1,500,000 (the "Loan") on the terms and conditions hereinafter set forth, and for the purposes hereinafter set forth; and

WHEREAS, in order to induce Lender to make the Loan to Borrower, Borrower has made certain representations to Lender and Borrower has agreed to issue and sell to Lender warrants to purchase shares of Borrower's common stock; and

WHEREAS, Lender, in reliance upon the representations and inducements of Borrower, has agreed to make the Loan upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the agreement of Lender to make the Loan, the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree as follows:

ARTICLE I

DEBENTURE AND WARRANTS

1.01 Authorization of Debenture and Warrant. Borrower has authorized the issue and sale of (a) its Senior Subordinated Debenture dated of even date herewith, in the aggregate principal amount of up to $1,500,000 (the "Debenture"), which will be in substantially the form attached hereto as Exhibit A, and (b) the Stock Purchase Warrants (the "Warrants"), which will be in substantially the forms attached hereto as Exhibit B and Exhibit C, respectively. For purposes of IRC Treasury Regulations Section 1.1273-2(h), the aggregate fair market value of the Warrants will be deemed to be $10,000 and $0 respectively. Borrower and Lender agree to use the foregoing fair market values for U.S. federal tax purposes with respect to the transactions contemplated by this Agreement (unless otherwise required by final determination by the Internal Revenue Service or a court of competent jurisdiction); provided, however, that the fair market value of the Warrants for purposes of financial reporting will be in accordance with generally accepted accounting principles, consistently applied ("GAAP"). Schedule A sets forth the name

and address of Lender, the principal amount of Lender's Loan, the Warrants issued and sold to Lender, and the fair market value of the Warrants issued and sold to Lender.

1.02 Description of Debenture. The Debenture will be dated the date of issue, to mature on the "Maturity Date" (as defined in the Debenture), and will bear interest from the date of issue at the rate of twelve and one-half percent (12.5%) per annum to maturity, payable monthly in arrears on the last day of each month (with the first such interest payment being due on August 31, 1999) and at maturity, and to bear interest on overdue principal and premium, if any, and on any overdue installment of interest at the rate of eighteen percent (18%) per annum after maturity, whether by acceleration or otherwise, until paid. Interest on the Debenture will be computed on the basis of a 360-day year with twelve (12) equal monthly installments. The Debenture is subject to prepayment or redemption prior to its expressed maturity date on the terms and conditions and in the amounts set forth in the Debenture; provided, however, that any prepayment will be no less than $100,000 or the remaining aggregate principal balance outstanding on the Debenture, if less than $100,000.

1.03 Sale and Purchase of Debenture and Warrants.

(a) Closing. Subject to the terms and conditions hereof and on the basis of the representations and warranties hereinafter set forth, Borrower agrees to issue and sell to Lender, and Lender agrees to purchase from Borrower upon the purchase and sale of the Debenture and Warrants hereunder (the "Closing"), (i) a Debenture in the aggregate principal amount set forth beside Lender's name on Schedule A at a price of 100% of the principal amount thereof, and (ii) the Warrants, which will entitle Lender to purchase shares of Borrower's Common Stock as set forth beside Lender's name on Schedule A (the "Warrant Shares"). Other than the applicable price to be paid upon exercise of the Warrants, Lender will make no additional payment for the Warrants.

(b) Delivery. Delivery of the Debenture and the Warrants will be made at the office of Borrower's counsel against payment therefor by federal funds wire transfer to Borrower's account in immediately available funds and to the accounts and in the amounts in accordance with Borrower's written instructions, on the date hereof, or such later date as Borrower and Lender will agree (the "Closing Date"). The Debenture and the Warrants delivered to Lender on the Closing Date will be delivered to Lender in the form of a single Debenture and two Warrants for the full amount of such purchase by Lender (unless different denominations are specified by Lender, each registered in Lender's name or in the name of such nominee as Lender may specify and, with appropriate insertions) all as Lender may specify at least twenty-four (24) hours prior to the date fixed for delivery.

(c) Investment Representations.

(i) This Agreement is made with Lender in reliance upon Lender's representations to Borrower, which by its acceptance hereof Lender hereby confirms, that the

Warrants to be received by it will be acquired for investment for its own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that it has no present intention of selling, granting participation in, or otherwise distributing the same. By executing this Agreement, Lender further represents that it does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer or grant participations to such person, or to any third person, with respect to the Warrants or Warrant Shares.

(ii) Lender understands that the Warrants and the Warrant Shares have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), on the grounds that the sale provided for in this Agreement and the issuance of securities hereunder is exempt from registration under the 1933 Act, and that Borrower's reliance on such exemption is predicated in part upon Lender's representations and warranties set forth herein. Lender realizes that the basis for such exemption may not be present in the event that, notwithstanding such representations and warranties, Lender has in mind merely acquiring the Warrants for a fixed or determined period of time in the future, or for a market rise, or for sale if the market does not rise. Lender has no such intentions.

(iii) Lender represents that it is an accredited investor, as defined under Regulation D of the 1933 Act, experienced in evaluating high technology companies such as Borrower, is able to fend for itself in the transactions contemplated by this Agreement, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investments, and has the ability to bear the economic risks of its investments. Lender further represents that it has had the opportunity to consult with its own legal counsel with respect hereto, and has had access, during the course of the transactions and prior to its purchase of the Warrants, to all such information as it deemed necessary or appropriate (to the extent Borrower possessed such information or could acquire it without unreasonable effort or expense) and that it has had, during the course of the transactions and prior to its purchase of the Warrants, the opportunity to ask questions of, and receive answers from, Borrower concerning the terms and conditions of the offering and to obtain additional information (to the extent Borrower possessed such information or could acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information furnished to it or to which it had access.

(iv) Lender understands that the Warrants and the Warrants Shares may not be sold, transferred or otherwise disposed of without registration under the 1933 Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Warrants (or the Warrant Shares) or an available exemption from registration under the 1933 Act, the Warrants (and the Warrant Shares) must be held indefinitely. In particular, Lender is aware that the Warrants (and the Warrant Shares) may not be sold pursuant to Rule 144 promulgated under the 1933 Act unless all of the conditions of that Rule are met. Among the conditions for use of Rule 144 is the availability to the public of current information about Borrower. Such information is not now available to the public and Borrower has no present plans to make such information available to the public. Lender represents that, in the absence of

an effective registration statement covering the Warrants (or the Warrant Shares), it will sell, transfer or otherwise dispose of the Warrants (or the Warrant Shares) only in a manner consistent with its representations set forth herein.

(v) Lender agrees that in no event will it make a transfer or disposition of the Warrants or the Warrant Shares other than in compliance with all applicable laws.

(vi) Lender understands that each certificate or instrument representing the Warrants or the Warrant Shares will be endorsed with restrictive legends as required by applicable state securities laws and substantially as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS.

(vii) Lender understands that no public market now exists for any of the securities issued by Borrower and that there is no assurance that a public market will ever exist for the Warrants (or for the Warrant Shares).

Lender represents and warrants that Lender is purchasing the Warrant and the Warrant Shares for its own account, for investment purposes and not with a view to the distribution thereof. The foregoing representations and warranties will not be construed as imposing any limitation on Lender's right to transfer the Warrant or any of the Warrant Shares that is not otherwise expressly set forth in this Agreement or in the Warrant or required by applicable law.

1.04 Closing Fee. Borrower agrees to pay to Lender on and only upon the occurrence of the Closing a closing fee in an aggregate amount equal to $30,000 ("Closing Fee"), which Closing Fee once paid will be fully earned by Lender. Borrower, however, will be entitled to a credit against such Closing Fee equal to the amount of any application fee actually paid to Lender incident to acceptance by Borrower of Lender's commitment letter with respect to the Loan.

ARTICLE II

SECURITY; SUBORDINATION

2.01 Security. The Secured Obligations (as hereinafter defined) are and will continue to be secured as follows:

Borrower hereby grants, assigns and pledges to Lender a security interest in the following described property and interests in property, together with all proceeds thereof (collectively, "the Collateral"):

(a) Equipment. All machinery and equipment, all data processing and office equipment, all computer equipment, hardware and firmware, all furniture, fixtures, appliances and all other goods of every type and description, whether now owned by Borrower or hereafter acquired by Borrower and wherever located, together with all parts, accessories and attachments and all replacements thereof and additions thereto; and

(b) Inventory. All inventory and goods of Borrower, whether held for lease, sale or furnishing under contracts of service, all agreements for lease of same and rentals therefrom, whether now in existence or owned or hereafter acquired and wherever located; and

(c) General Intangibles. All rights, interests, choses in action, causes of action, claims and all other intangible property of Borrower of every kind and nature, in each instance whether now owned or hereafter acquired, including, but not limited to, all corporate and business records; all loans, royalties, and other obligations receivable; all trade secrets, inventions, designs, patents, patent applications, registered or unregistered service marks, trade names, trademarks, copyrights and the goodwill associated therewith and incorporated therein, and all registrations and applications for registration related thereto; goodwill, licenses, permits, franchises, customer lists and credit files; all customer and supplier contracts, firm sale orders, rights under license and franchise agreements, and other contracts and contract rights; all right, title and interest under leases, subleases, licenses and concessions and other agreements relating to real or personal property and any security agreements relating thereto; all rights to indemnification; all proceeds of insurance of which Borrower is beneficiary; all letters of credit, guarantees, liens, security interests and other security held by or granted to Borrower; and all other intangible property, whether or not similar to the foregoing; all products and all books and records related to any of the foregoing; and

(d) Accounts, Chattel Paper, Instruments, Securities and Documents. All of Borrower's accounts, accounts receivable, chattel paper, instruments, shares of stock and other securities, and documents, whether now in existence or owned or hereafter acquired, entered into, created or arising, and wherever located; and

(e) Other Property. All property or interests in any other property now owned or hereafter acquired by Borrower.

This Agreement and any other instruments, documents or agreements now or hereafter securing the Secured Obligations, including, without limitation, the Guaranty attached hereto as Exhibit D-1 (the "Guaranty") and the Subsidiary Security Agreement attached hereto as Exhibit D-2 (the "Subsidiary Security Agreement"), are collectively referred to in this Agreement as the "Security Instruments." The Security Instruments, together with the Debenture, and any and all amendments and modifications thereof, are individually referred to in this Agreement as a "Loan Document" and collectively referred to as the "Loan Documents".

2.02 Secured Obligations. Without limiting any of the provisions thereof, the Security Instruments will secure:

(a) The full and timely payment of the indebtedness evidenced by the Debenture, together with interest thereon, and any extensions, modifications, consolidations, and/or renewals thereof, and any notes given in payment thereof;

(b) The full and prompt performance of all of the obligations of Borrower or Nine Rivers Technology (Texas) Corporation, a Texas corporation (the "Subsidiary") to Lender under the Loan Documents to which Borrower or Subsidiary is a party; and

(c) The full and prompt payment of all court costs, and other reasonable expenses and costs of whatever kind incident to the collection of the indebtedness evidenced by the Debenture, the enforcement or protection of the security interests of the Security Instruments or the exercise by Lender of any rights or remedies of Lender with respect to the indebtedness evidenced by the Debenture, including, without limitation reasonable attorneys' fees incurred by Lender, all of which Borrower agrees to pay to Lender upon demand.

All of the foregoing indebtedness and other obligations are collectively referred to in this Agreement as the "Secured Obligations".

2.03 Subordination. Notwithstanding anything to the contrary in this Agreement or in the Debenture, the indebtedness evidenced by the Debenture, including principal and interest, will be subordinate and junior to the prior payment of the indebtedness of Borrower for borrowed money described in Section 2.03 of the Disclosure Schedule delivered by Borrower to Lender in connection with this Agreement (the "Disclosure Schedule"), together with all obligations (whether to the same lender or otherwise) issued in refinancings, renewal, deferral, extension, refunding, amendment or modification (but not any increase) of any such indebtedness (collectively, the "Senior Indebtedness"). Nothing in this Agreement will be deemed to preclude payments of principal and interest or other amounts pursuant to the Secured Obligations to the extent that no event of default has occurred with respect to the Senior Indebtedness such that the Senior Indebtedness has become due in full.

2.04 Liquidation, etc. (a) Upon any distribution of assets of Borrower in connection with any dissolution, winding up, liquidation or reorganization of Borrower (whether in bankruptcy, insolvency, or receivership proceedings or upon an assignment for the benefit of creditors or otherwise), the holders of all Senior Indebtedness will first be entitled to receive payment in full of the principal thereof, premium, if any, and interest due thereon, and all costs and expenses (including reasonable attorneys' fees) related thereto, before the holder of the Debenture will be entitled to receive any payment on account of the principal of or interest on or any other amount owing with respect to the Debenture (other than payment in shares of capital stock of Borrower as reorganized or readjusted, or securities of Borrower or any other corporation provided for by a plan of reorganization or readjustment, which stock and securities are subordinated to the payment of all Senior Indebtedness and securities received in lieu thereof that may at the time be outstanding). Under the circumstances provided in this Agreement, the holders of the Senior Indebtedness will have the right to receive and collect any distributions made with respect to the Debenture until such time as the Senior Indebtedness is paid in full, and will have the further right to take such actions as may be deemed necessary or required to so receive and collect such distributions including making or filing any proofs of claim relating thereto.

(b) Without in any way modifying the provisions of this Article II or affecting the subordination effected hereby if such notice is not given, Borrower will give prompt written notice to Lender of any dissolution, winding up, liquidation or reorganization of Borrower or Subsidiary (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise).

2.05 Senior Indebtedness Default. Borrower will not declare or pay any cash dividends or make any cash distributions to the holders of capital stock of Borrower, redeem any capital stock of Borrower, or purchase or acquire for value the Debenture if any default has occurred and is continuing with respect to the payment of principal of, or premium (if any) or interest on any Senior Indebtedness.

2.06 Subrogation. Upon the prior payment in full of all Senior Indebtedness, Lender will be subrogated to the rights of the holders of the Senior Indebtedness to receive payments or distributions of assets of Borrower applicable to the Senior Indebtedness until all amounts owing on the Debenture will be paid in full, and for the purpose of such subrogation, no payments or distributions to Lender otherwise payable or distributable to the holders of Senior Indebtedness will, as between Borrower, its creditors (other than the holders of Senior Indebtedness) and Lender, be deemed to be payment by Borrower to or on account of the Debenture, it being understood that the provisions of this Article II are and are intended solely for the purpose of defining the relative rights of Lender, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

2.07 Borrower's Obligations Not Impaired. (a) Nothing contained in this Article II or in the Debenture is intended to or will impair, as between Borrower and Lender, the obligation of Borrower, which is absolute and unconditional, to pay Lender the principal of and interest on the Debenture as and when the same will become due and payable in accordance with the terms of the Debenture or is intended to or will affect the relative rights of Lender other than with respect to the holders of the Senior Indebtedness, nor, except as expressly provided in this Article II will anything in this Agreement or therein prevent Lender from exercising all remedies otherwise permitted by applicable law upon the occurrence of an Event of Default under this Agreement or under the Debenture.

(b) If any payment or distribution will be received in respect of the Debenture in contravention of the terms of this Article II, such payment or distribution will be held in trust for the holders of the Senior Indebtedness, and will be immediately delivered to such holders in the same form as received.

2.08 Subordination to First Union. This Agreement is expressly made subject to that certain Subordination and Intercreditor Agreement among First Union National Bank ("FUNB"), Borrower and Lender and dated as of August __, 1999 ("FUNB Subordination Agreement"). To the extent of any inconsistency between the terms of this Agreement and the terms of the FUNB Subordination Agreement, the terms of the FUNB Subordination Agreement shall control. Without limiting the foregoing, Lender consents to all indebtedness now or hereafter owned by Borrower to FUNB and not prohibited under the terms of the FUNB Subordination Agreement, as well as liens and security interests now or hereafter securing such indebtedness.

ARTICLE III

WARRANTIES

Except as set forth in the Disclosure Schedule, Borrower hereby represents and warrants to Lender as follows:

3.01 Corporate Status. Borrower is a corporation duly organized and validly existing under the laws of its state of incorporation, and has the corporate power to own and operate its properties, to carry on its business as now conducted and to enter into and to perform its obligations under this Agreement, the other Loan Documents to which it is a party, and the Warrants. Borrower is duly qualified to do business and is in good standing in each state in which a failure to be so qualified would have a materially adverse effect on such entity's financial position or its ability to conduct its business in the manner now conducted.

3.02 Subsidiaries. Except as disclosed on Schedule 3.02, Borrower has no subsidiaries and has no direct or indirect ownership interests in any other entity. Borrower owns all of the issued and outstanding capital stock of Subsidiary.

3.03 Authorization. Borrower and Subsidiary have full legal right, power and authority to enter into and perform their respective obligations under the Loan Documents and Warrants. The execution and delivery of this Agreement, the borrowing hereunder, the execution and delivery of each Loan Document to which Borrower and Subsidiary is a party and of the Warrants, and the performance by Borrower or Subsidiary of their respective obligations hereunder and/or thereunder are within their respective corporate powers and have been duly authorized by all necessary corporate action properly taken, have received all necessary governmental approvals, if any were required, and do not and will not contravene or conflict with any provision of law, any applicable judgment, ordinance, regulation or order of any court or governmental agency, the Articles of Incorporation or Bylaws of Borrower or Subsidiary or any agreement binding upon it or its properties. The officer(s) executing this Agreement, the Debenture, the Warrants and all of the other Loan Documents to which Borrower or Subsidiary is a party, is (are) duly authorized to act on behalf of Borrower or Subsidiary, as the case may be.

3.04 Validity and Binding Effect. This Agreement, the other Loan Documents, and the Warrants are the legal, valid and binding obligations of Borrower and Subsidiary enforceable in accordance with their terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally affecting creditors' rights and to the effect on enforceability of certain remedies of rules of law governing specific performance, injunctive relief and other equitable remedies.

3.05 No Consent Required. The execution, delivery and performance of the Loan Documents and the Warrants by Borrower and Subsidiary do not require the consent or approval of or the giving of notice to any person or entity, other than the approval of the Board of Directors of Borrower or Subsidiary and such other consents or approvals as have or will have been obtained as of the Closing.

3.06 Other Transactions. Except as disclosed on Schedule 3.06, there are no outstanding loans, liens, pledges, security interests, agreements or other facilities upon which Borrower or Subsidiary is obligated or by which Borrower or Subsidiary is bound that will in any way permit any third person to have or obtain priority over Lender as to any of the Collateral.

3.07 Capitalization. As of the date hereof, and upon consummation of the transactions contemplated by the Loan Documents, Borrower will have a total authorized capitalization consisting of: (i) Five Million (5,000,000) shares of Class A Common Stock, par value $0.01 per share (the "Class A Common Stock"), of which One Million (1,000,000) shares will be issued and outstanding; and (ii) Five Million (5,000,000) shares of Class B Common Stock (the "Class B Common Stock") of which Fifty Thousand (50,000) shares will be issued and outstanding. Borrower has reserved a sufficient number of shares of Class A Common Stock for issuance upon exercise of the Warrants. A complete list of all outstanding shares of Class A Common Stock, Class B Common Stock and warrants, options and other rights to purchase or otherwise acquire Class A Common Stock, Class B Common Stock or other securities or instruments exchangeable for or convertible into Class A Common Stock or Class B Common Stock and the

names in which they are or will be registered is set forth in Section 3.07 of the Disclosure Schedule. All the outstanding shares of capital stock of Borrower have been duly authorized, are validly issued and are fully paid and nonassessable. The shares of Class A Common Stock issuable upon exercise of the Warrants, upon issuance, will have been duly authorized, will be validly issued and will be fully paid and nonassessable. The Debenture, the Warrants, and all outstanding shares of capital stock of Borrower have been offered, issued, sold and delivered by Borrower in compliance with applicable federal and state securities laws. Except as set forth in Section 3.07 of the Disclosure Schedule, there are no options, warrants or rights to acquire shares of the capital stock or other securities of Borrower or Subsidiary authorized, issued or outstanding, nor is Borrower obligated in any other manner to issue shares of its capital stock or other securities, and there are no restrictions on the transfer of shares of capital stock of Borrower other than those imposed by applicable state and federal securities laws. No holder of any security of Borrower is entitled to preemptive or similar statutory or contractual rights, either arising pursuant to any agreement or instrument to which Borrower is a party or that are otherwise binding upon Borrower with respect to the issuance of any capital stock, debt instruments or other securities of Borrower.

3.08 Places of Business. The records with respect to all tangible and intangible personal property constituting Collateral are maintained at the principal office of Borrower and Subsidiary at the addresses set forth in Section 3.08 of the Disclosure Schedule.

3.09 Litigation. There are no actions, suits or proceedings pending, or, to the knowledge of Borrower, threatened, against or affecting Borrower or Subsidiary or involving the validity or enforceability of any of the Loan Documents or the priority of the liens thereof, at law or in equity, or before any governmental or administrative agency, except actions, suits and proceedings that are fully covered by insurance and that, if adversely determined, would not impair the ability of Borrower or Subsidiary to perform each and every one of its obligations under and by virtue of the Loan Documents; and Borrower and Subsidiary are not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

3.10 Financial Statements. The (a) unaudited consolidated balance sheets of Borrower as at December 31, 1998, and the related consolidated statements of income, changes in stockholders' equity, and cash flow for the fiscal year then ended, and (b) unaudited consolidated balance sheet of Borrower as at June 30, 1999, and the related unaudited consolidated statements of income for the fiscal period then ended, heretofore delivered to Lender have been prepared on the basis of GAAP, and fairly present the financial condition of Borrower as of the date(s) thereof subject, in the case of interim financial statements, to normal recurring year-end adjustments and the absence of notes. Except as disclosed on Schedule 3.10, no materially adverse change has occurred in the financial condition of Borrower or Subsidiary since the date(s) thereof, and no additional borrowings have been made by Borrower or Subsidiary since the date(s) thereof.

3.11 No Defaults. Consummation of the transactions hereby contemplated and the performance of the obligations of Borrower or Subsidiary under and by virtue of the Loan Documents and the Warrants will not result in any breach of, or constitute a default under, the Articles of Incorporation or Bylaws of Borrower or Subsidiary, as the case may be, or any mortgage, security deed or agreement, deed of trust, lease, loan or credit agreement, partnership agreement, license, franchise or any other material instrument or agreement to which Borrower or Subsidiary is a party or by which Borrower or Subsidiary or its properties may be bound or affected.

3.12 Compliance With Law. Borrower and Subsidiary have obtained all licenses, permits and governmental approvals and authorizations necessary or proper in order to conduct its business and affairs as heretofore conducted and as hereafter intended to be conducted. Borrower and Subsidiary are in material compliance with all laws, regulations, decrees and orders applicable to it (including, but not limited to, laws, regulations, decrees and orders relating to environmental, occupational and health standards and controls, antitrust, monopoly, restraint of trade or unfair competition) and any noncompliance, in the aggregate, cannot reasonably be expected to have a material adverse effect on its business, operations, property or financial condition and will not materially adversely affect its ability to perform its obligations under the Loan Documents or the Warrants.

3.13 Taxes. Borrower and Subsidiary have filed or caused to be filed all tax returns that are required to be filed (except for returns that have been appropriately extended), and has paid all taxes shown to be due and payable on said returns and all other taxes, impositions, assessments, fees or other charges imposed on them by any governmental authority, agency or instrumentality, prior to any delinquency with respect thereto (other than taxes, impositions, assessments, fees and charges currently being contested in good faith by appropriate proceedings, for which appropriate amounts have been reserved). No tax liens have been filed against Borrower or Subsidiary or any of their property. All taxes imposed by law in connection with the issuance, sale and delivery of the Debenture and the Warrants will have been fully paid and all laws imposing such taxes will have been fully complied with, prior to the Closing.

3.14 Collateral. Borrower and Subsidiary have all necessary right, power and authority to grant to Lender a valid and enforceable security interest in the Collateral (and in the case of Subsidiary, to the collateral described in the Subsidiary Security Agreement). Lender's security interest in such Collateral (and in the case of Subsidiary, the collateral described in the Subsidiary Security Agreement) constitutes a valid lien upon and security interest in such Collateral (and in the case of Subsidiary, the collateral described in the Subsidiary Security Agreement), and, except for liens disclosed in Schedule 3.14 of the Disclosure Schedule and liens arising by operation of law in the ordinary course of Borrower's business and that do not impair, in the aggregate, Lender's rights or priority in such Collateral (and in the case of Subsidiary, the collateral described in the Subsidiary Security Agreement), no other person or entity has any right, title, interest, security interest, claim or lien with respect thereto.

3.15 Certain Transactions. Except as disclosed on Schedule 3.15, neither Borrower nor Subsidiary is indebted, directly or indirectly, to any of its officers or directors or to their spouses or children; none of said officers or directors or any members of their immediate families are indebted to Borrower or Subsidiary or have any direct or indirect ownership interest in any firm or corporation with which Borrower or Subsidiary is affiliated or with which Borrower or Subsidiary has a business relationship, or any firm or corporation that competes with Borrower or Subsidiary, except that officers and/or directors of Borrower and Subsidiary may own no more than one percent (1%) of the outstanding stock of publicly traded companies that compete with Borrower or Subsidiary. No officer or director or any member of their immediate families, is, directly or indirectly, interested in any material contract with Borrower or Subsidiary, and neither Borrower nor Subsidiary is a guarantor or indemnitor of any indebtedness.

3.16 Title to Property. Borrower and Subsidiary own no real property or lease any real property other than disclosed in Schedule 3.16 of the Disclosure Schedule. As of the date hereof Borrower and Subsidiary have good and marketable title to all of the personal property used in their respective businesses, free and clear of any and all claims, liens, encumbrances, equities and restrictions of every kind and nature whatsoever, except for such claims, liens, encumbrances, equities and restrictions as are not in the aggregate material to the business, operations or financial condition of Borrower or Subsidiary, as the case may be.

3.17 Intellectual Property.

(a) Section 3.17(a) of the Disclosure Schedule sets forth a complete list and a brief description of all domestic and foreign patents, patent and know-how licenses, trade names, trademark and service mark registrations, common-law trademarks, copyright registrations, copyrights and applications for any of the foregoing currently used by Borrower or Subsidiary (the "Intellectual Property"). The parties expressly agree that the term Intellectual Property will not include Third Party Software, as defined in Section 3.17.2 below. Except as set forth in Section 3.17(a) of the Disclosure Schedule, Borrower (or Subsidiary, as indicated in Section 3.17(a) of the Disclosure Schedule) owns all right, title and interest in and to, or holds valid licenses from third parties for, all of the Intellectual Property. Section 3.17(a) of the Disclosure Schedule also indicates whether any of the Intellectual Property was acquired by assignment to Borrower or Subsidiary or is used by Borrower or Subsidiary under authority of a license. No employees or contractors of Borrower or Subsidiary, past or present, claim or have claimed any interest in the Intellectual Property and no basis for any such claim exists.

(b) Except as otherwise set forth in Section 3.17(b) of the Disclosure Schedule, with respect to the Intellectual Property listed thereon:

(i) The Intellectual Property and all rights appurtenant thereto are free and clear of any and all Liens;

(ii) No transfer, conveyance, sale or assignment has been made by Borrower or Subsidiary of any part of any item constituting part of the Intellectual Property or any rights appurtenant thereto, and no license, franchise or other agreement with respect to the Intellectual Property has been entered into by Borrower or Subsidiary with a third party (other than licenses granted by Borrower or Subsidiary in the ordinary course of its business, forms of which licenses have been provided to Lender);

(iii) Except for common law copyrights and matters disclosed in Section 3.17(a) of the Disclosure Schedule, each item constituting part of the Intellectual Property which is owned by Borrower or Subsidiary has been duly and validly registered with, filed in or issued by, as the case may be, the United States Patent and Trademark Office or the United States Copyright Office, and such registrations, filings and issuances remain in full force and effect, and there have been no failures in complying with such requirements, and no copyrights, patents or trademarks have lapsed or been canceled or abandoned;

(iv) The Intellectual Property constitutes all intellectual property necessary for Borrower or Subsidiary to carry on their respective businesses as presently conducted and as contemplated in the reasonably foreseeable future;

(v) The registrations and applications to register the Intellectual Property in each of the countries in which the Intellectual Property is registered are valid and subsisting in all respects and have been properly maintained and Borrower or Subsidiary, as the case may be, has otherwise taken all reasonable measures required under all applicable laws to maintain and protect the Intellectual Property; and

(vi) To Borrower's knowledge, none of the Intellectual Property, no use of the Intellectual Property, and no operations of Borrower or Subsidiary, infringes upon or violates any trademark, enforceable in the United States, any trade secret, or any copyright or United States patent rights of any third party, and to Borrower's knowledge, none of the Intellectual Property nor any use thereof nor the operations of Borrower or Subsidiary infringes upon any patent rights of any third party arising under the laws of any country outside of the United States.

(c) There are no pending or, to the knowledge of Borrower, threatened proceedings, litigation or other adverse claims affecting, or with respect to, the Intellectual Property. To the knowledge of Borrower, no person or entity is infringing Borrower's or Subsidiary's rights with respect to the Intellectual Property. To the knowledge of Borrower, none of the operations, processes or products of Borrower or Subsidiary infringe or violate the rights of any third party. Neither Borrower nor Subsidiary has received any charge, complaint, claim or notice alleging any such infringement or violation.

(d) There are no claims pending or, to the knowledge of Borrower, threatened to the effect that any shareholder, director, employee or agent of Borrower or Subsidiary has, with respect to his or her activities to date, violated any terms or conditions of his or her employment

contract with any third party, disclosed or utilized any trade secrets or proprietary information of such third party, or interfered in the employment relationship between such third party and any of its employees, and to the knowledge of Borrower, no basis for any such action exists.

(e) Borrower (or Subsidiary, as the case may be) is the lawful and exclusive owner of its confidential business information (as defined in this Agreement), free and clear of any claim, right, trademark, patent or copyright protection of any third party, other than liens set forth on the Disclosure Schedule. As used in this Agreement, "confidential business information" includes technical and nontechnical data related to patterns, plans, methods, techniques, drawings, finances, customer lists, suppliers, products, pricing and cost information, designs, processes, procedures, formulas, research data owned or used by Borrower (or Subsidiary, as the case may be) or marketing studies conducted by Borrower (or Subsidiary, as the case may be), all of which Borrower considers to be commercially important and competitively sensitive and which generally have not been disclosed to third parties other than customers in the ordinary course of business, but does not include Third Party Software. Borrower and Subsidiary follow such procedures as are reasonably necessary to protect Borrower's and Subsidiary's trade secrets and proprietary rights in intellectual property of all kinds.

3.17.1 Borrower Software Assets.

(i) Section 3.17.1 of the Disclosure Schedule accurately identifies and describes all software products and/or software technology developed, marketed, supported, owned, sold, licensed, leased, under development or otherwise used in connection with the businesses of Borrower or Subsidiary (except Third Party Software, as hereinafter defined) ("Borrower Software Assets"), and lists all registrations and applications to register Borrower Software Assets for any purpose, including copyright and patent.

(ii) Borrower (or Subsidiary, as the case may be), except as indicated on Section 3.17.1 of the Disclosure Schedule, possesses the exclusive worldwide right, title, interest and ownership, free and clear of any royalty payments or security interests, claims, contract rights, licenses, liens, leases or encumbrances whatsoever, in and to Borrower Software Assets, and to all use, reproduction, modification, marketing and licensing rights, copyrights, U.S. patent rights, U.S. trade names, U.S. trademarks and trade secrets relating thereto, and, except as provided in standard end-user licenses used in the ordinary course of business, there are no agreements providing any party the right to use, copy, license, sell, convert, modify or distribute Borrower Software Assets or relating to or affecting Borrower Software Assets in any respect. Borrower Software Assets are original works of authorship created and developed solely by Borrower (or Subsidiary, as the case may be) within the meaning of applicable law.

(iii) Borrower Software Assets including, without limitation, the source codes thereof, constitute trade secrets of Borrower (or Subsidiary, as the case may be), and have not been disclosed by Borrower or anyone authorized by Borrower to any person under any circumstance which would destroy their status as trade secrets other than as may occur as a result

of copyright registrations required by Lender and/or First Union National Bank, or any successor or assigns thereof. Borrower Software Assets have not been disclosed on an unauthorized basis to any third party. There is no pending challenge received by Borrower or Subsidiary to the validity of Borrower Software Assets or source codes thereof as valid and enforceable trade secrets of Borrower. Borrower and Subsidiary have taken all steps and actions necessary and appropriate under all applicable laws, of the United States, to establish and preserve Borrower Software Assets and source codes included in Borrower Software Assets as trade secrets and to establish and preserve the copyright and patent rights therein.

(iv) To the knowledge of Borrower, there has been no publication by Borrower, Subsidiary or any person authorized by Borrower or Subsidiary of any of Borrower Software Assets in a manner which would preclude the protection afforded copyrighted material under the Copyright Laws of the United States or the laws of any country in which Borrower Software Assets are distributed by Borrower, Subsidiary or their authorized distributors.

(v) No person or entity other than Borrower or Subsidiary is in possession of or has the right to possession of any of Borrower Software Assets, including, without limitation, the source codes included in Borrower Software Assets (other than licenses granted by Borrower or Subsidiary in the ordinary course of its business, forms of which licenses have been provided to Lender).

(vi) None of Borrower Software Assets infringes any U.S. patent, or any copyright, trade secret, U.S. trademark or any other intellectual property rights, privacy rights or similar rights of any third party, nor, to the knowledge of Borrower or Subsidiary, has any claim (whether or not embodied in an action, past or present) of such infringement been threatened or asserted, and no such claim is pending against Borrower or Subsidiary. To Borrower's knowledge, neither Borrower Software Assets nor any portion or use thereof infringes any patent rights or trademark rights arising outside of the United States, nor, to the knowledge of Borrower or Subsidiary, has any claim (whether or not embodied in an action, past or present) of such infringement been threatened or asserted, and no such claim is pending against Borrower or Subsidiary.

(vii) Except as disclosed on Schedule 3.17.1, all employees, independent contractors and other persons who have had access to Borrower Software Assets or who have participated in the development or creation of any of Borrower Software Assets were U.S. citizens at all times during such activities and have signed appropriate non-disclosure and confidentiality agreements and work-for-hire agreements in the case of independent contractors, sufficient to protect Borrower Software Assets from unauthorized disclosure and sufficient to transfer and assign any rights of any such persons in Borrower Software Assets to Borrower or Subsidiary. To Borrower's knowledge, there has been no unauthorized access to Borrower Software Assets by any third party.

3.17.2 Third Party Software.

(i) Section 3.17.2 of the Disclosure Schedule accurately identifies and describes all software products and/or software technology distributed, marketed, supported, licensed, leased, or otherwise provided to third parties by Borrower or Subsidiary since January 1, 1996, in connection with its business operations which is not currently owned by Borrower or Subsidiary or was not owned by Borrower or Subsidiary at the time it is provided to a third party by Borrower or Subsidiary (collectively, the "Third Party Software"), excluding any standard non-customized products readily available to the general public for less than $1,000. Such section further sets forth the identity of the party which licensed such Third Party Software to Borrower or Subsidiary and the agreement pursuant to which such license was granted (collectively, the "Third Party Agreements"). Such schedule further lists all registrations and applications to register the Third Party Software which Borrower or Subsidiary has made in any jurisdiction for any purpose, including copyright and patent.

(ii) Borrower or Subsidiary, except as indicated on Section 3.17.2 of the Disclosure Schedule, possesses or possessed all right, title and interests necessary to allow Borrower or Subsidiary to distribute, license or otherwise provide the Third Party Software to third parties in the manner in which it has carried out such acts in the past and in the manner in which it currently distributes, licenses or otherwise provides such software to third parties.

(iii) To the knowledge of Borrower, none of the Third Party Software, nor any portion or use thereof, nor any distribution of such software by Borrower or Subsidiary as permitted pursuant to the Third Party Agreements, infringes any patent, or any copyright, trade secret, trademark or other intellectual property rights, privacy rights or similar rights of any third party, nor has any claim (whether or not embodied in an action, past or present) of such infringement been threatened or asserted, and no such claim is pending against any third party.

(iv) Neither Borrower nor Subsidiary is in violation of any term or provision of the Third Party Agreements, nor, to the knowledge of Borrower, has any event, act or omission occurred that, with the passage of time or giving of notice would be a violation or default in any material respect under any such Agreement. Except as indicated on Section 3.17.2 of the Disclosure Schedule, each of the Third Party Agreements is a valid and binding obligation of Borrower (or Subsidiary) and is in full force and effect. There is no violation by the other party thereto of any material term or provision of any of the Third Party Agreements and there have been no threatened cancellations thereof or outstanding material disputes thereunder. Borrower has heretofore made available to Lender for examination true, complete and correct copies of the Third Party Agreements.

3.18 Investment Company Act. Neither Borrower nor Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

3.19 Margin Requirements. Without expanding the limited uses of proceeds of the Loan set forth in Section 4.03 of this Agreement, Borrower agrees that Borrower will not use any of the funds advanced under the Loan for the purpose of acquiring or carrying "margin stock" for the purposes of Regulations G, T, X or U of the Federal Reserve Board.

3.20 Solvency. Borrower is solvent as of the date of this Agreement. For purposes of this Section 3.20, "solvent" will mean that Borrower: (i) has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage, (ii) is able to pay its debts as they mature, and (iii) owns assets having present fair salable value greater than the amount required to pay its debts.

3.21 Environmental Compliance. Borrower and Subsidiary have duly complied in all material respects with, and its properties are owned and operated in all material respects in compliance with all federal, state and local environmental laws and regulations. There have been no citations, notices or orders of noncompliance issued to Borrower or Subsidiary or relating to its business or properties. Borrower and Subsidiary have obtained all federal, state and local licenses, certificates or permits required by such environmental laws and regulations relating to Borrower, Subsidiary and their respective properties.

3.22 OSHA Compliance. Borrower and Subsidiary each is in compliance with the Federal Occupational Safety and Health Act, as amended, and all regulations thereunder, except where failure to comply would not have a material adverse effect on Borrower, Subsidiary or Borrower's or Subsidiary's assets or financial condition

3.23 ERISA Compliance. With respect to the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder ("ERISA"):

(a) Plans. Section 3.23 of the Disclosure Schedule sets forth any and all "employee benefit plans" maintained by or on behalf of Borrower or any ERISA Affiliates as defined in Section 3(3) of ERISA (a "Plan"), including, but not limited to, any defined benefit pension plan, profit sharing plan, money purchase pension plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, Multiemployer Plan, or any plan, fund, program, arrangement or practice providing for medical (including post-retirement medical), hospitalization, accident, sickness, disability, or life insurance benefits. For purposes of this Agreement, "ERISA Affiliate" will mean each trade or business (whether or not incorporated) which, together with Borrower, is treated as a single employer under Section 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and the rulings issued thereunder (the "Code"); and "Multiemployer Plan" will mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA. Neither Borrower, Subsidiary nor any ERISA Affiliate maintains or contributes to, or has maintained or contributed to, any defined benefit pension plan or Multiemployer Plan.

(b) Compliance. Each Plan has at all times been maintained, by its terms and in operation, in accordance in all material respects with all applicable laws, and no fact that might constitute grounds for the involuntary termination of the Plan, or for the appointment by the appropriate United States District Court of a trustee to administer the Plan, exists at the time of execution of this Agreement.

(c) Liabilities. Except for liabilities and expenses which become payable and are timely paid pursuant to the terms and usual operations of the Plans, neither Borrower nor Subsidiary is currently and, to the best of their knowledge, will become subject to any material liability (including withdrawal liability), tax or penalty whatsoever to any person whomsoever with respect to any Plan, and with respect to any actions taken by Borrower prior to the Closing Date, including, but not limited to, any material tax, penalty or liability arising under Title I or Title IV of ERISA or Chapter 43 of the Code.

(d) Funding. Borrower and each ERISA Affiliate has made full and timely payment of all amounts (i) required to be contributed under the terms of each Plan and applicable law and (ii) required to be paid as expenses of each Plan. No Plan or Plans have an "amount of unfunded benefit liabilities" (as defined in Section 4001 (a)(18) of ERISA) which, in the aggregate, exceeds $5,000.

3.24 Small Business Concern. Borrower, together with its "affiliates" (as that term is defined in 13 C.F.R. Section 121.103), if any, is a "Smaller Business" within the meaning of 15 U.S.C. Section 662(5), that is Section 103(5) of the Small Business Investment Act of 1958, as amended (the "SBIC Act"), and the regulations thereunder, including 13 C.F.R. Section 107.710, and meets the applicable size eligibility criteria set forth in 13 C.F.R. Section 121.301(c)(1) or the industry standard covering the industry in which Borrower is primarily engaged as set forth in 13 C.F.R. Section 121.301(c)(2). Neither Borrower nor any of its subsidiaries presently engages in any activities for which a small business investment company is prohibited from providing funds by the SBIC Act and the regulations thereunder, including 13 C.F.R. Section 107.

3.25 Statements Not False or Misleading. Borrower has fully advised Lender of all matters involving Borrower's financial condition, operations, properties or industry that management of Borrower reasonably expects might have a materially adverse effect on Borrower or Subsidiary. No representation or warranty given as of the date hereof by Borrower or Subsidiary contained in this Agreement or any schedule attached hereto or any statement in any document, certificate or other instrument furnished or to be furnished to Lender pursuant hereto, taken as a whole, contains or will (as of the Closing) contain any untrue statement of a material fact, or omits or will (as of the Closing) omit to state any material fact that is necessary in order to make the statements contained therein not misleading.

3.26 Offering. Subject in part to the truth and accuracy of Lender's representations set forth in this Agreement and the Warrants, the offer, sale and issuance of the Debenture and the

Warrants and the offer, sale and issuance of securities upon exercise of the Warrants are exempt from the registration requirements of the 1933 Act, and applicable state securities laws.

3.27 Chief Executive Office. The chief executive office of Borrower and Subsidiary is located at the address set forth beside Borrower's name in Section 8.9 of this Agreement.

3.28 Year 2000. To the best of Borrower's knowledge, any third party hardware, software or firmware licensed or purchased by Borrower or Subsidiary from third parties accurately processes date/time data (including but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations. Software owned or developed by Borrower, Subsidiary, or Borrower's (or Subsidiary's) employees, consultants, and independent contractors ("Borrower's Software") has been assessed and/or tested by Borrower and either: (i) accurately processes date/time data (including but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations when either (A) used as a standalone application, or (B) integrated into or otherwise used in conjunction with the third party hardware, software, firmware and data ("Third Party Products") with which such Borrower's Software was designed or intended by Borrower or Subsidiary to operate at the time such Borrower's Software was developed for internal use, or (ii) can be remediated by Borrower to be Year 2000 compliant as set forth in the immediately preceding clause in a timely manner and at a cost that will not have a material adverse effect on Borrower's financial condition and that will not materially adversely affect Borrower's ability to operate its business. Notwithstanding the foregoing, Borrower will not be considered to be in breach of the representation and warranty in the immediately preceding sentence to the extent such failure of such Borrower Software to comply with such representation and warranty is attributable to (x) a failure by any Third Party Product to accurately process date/time data (including but not limited to, calculating, comparing, and sequencing) from into and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations; or (y) any modification of Borrower Software by a Borrower (or subsidiary) customer following the provision of such Borrower Software to such customer or the testing of Borrower Software by Borrower (or a subsidiary) for such customer, whichever is later.

3.29 Survival. The representations and warranties of Borrower contained in this Agreement will survive until the Secured Obligations are indefeasibly repaid and satisfied in full.

ARTICLE IV

COVENANTS AND AGREEMENTS

4.01 Payment of Secured Obligations. Borrower will pay the indebtedness evidenced by the Debenture according to the terms thereof, and will timely pay or perform, as the case may be, all the other Secured Obligations and the Senior Indebtedness.

4.02 Transfer of Collateral. Borrower will not, and will cause Subsidiary not to, sell, exchange, lease, negotiate, pledge, assign or otherwise dispose of the Collateral to anyone other than Lender and will not permit any lien, security interest or other encumbrance to attach to the Collateral, except (i) with regard to the Senior Indebtedness, (ii) purchase money security interests or leasehold interests on property acquired by Borrower and/or Subsidiary in an amount not to exceed the purchase price therefor; (iii) Borrower and Subsidiary may sell or lease inventory in the ordinary course of business; (iv) Borrower and Subsidiary may sell or otherwise dispose of obsolete or retired equipment in the ordinary course of business; and (v) with regard to certain assets of Borrower as described in Schedule 4.02 that Borrower has transferred or may transfer in connection with the Coffee Redemption (as defined herein).

4.03 Use of Proceeds, Restrictions on Activities.

(a) Neither Borrower nor any of its subsidiaries will engage in any activities or use directly or indirectly the proceeds from the Loan for any purpose for which a small business investment company is prohibited from providing funds by the SBIC Act and the regulations promulgated thereunder, including 13 C.F.R. Section 107.

(b) Borrower will use the proceeds from the Loan for the purposes and in the amounts set forth in Section 4.03 of the Disclosure Schedule. Borrower will deliver within ninety (90) days of the Closing to Lender a written report, certified as correct by Borrower's chief executive officer or chief financial officer, verifying the purposes and the amounts for which proceeds from the Loan have been disbursed. Borrower will supply to Lender such additional information and documents as Lender reasonably requests with respect to use of proceeds and will permit Lender to have reasonable access to any and all records and information and personnel of Borrower as Lender reasonably deems necessary to verify how proceeds have been or are being used and to assure that the proceeds have been used for the purposes specified.

(c) Borrower will not, without obtaining the prior written consent of Lender, change within one year of the Closing hereunder Borrower's business activity from that currently conducted to a business activity for which a small business investment company is prohibited from providing funds by the SBIC Act and the regulations promulgated thereunder. Borrower agrees that any such changes in its business activity without such prior written consent of Lender will at Lender's sole option constitute an event of default under the Debenture (an "Activity Event of Default"). If an Activity Event of Default occurs, Lender will have the right to demand immediate repayment of the Debenture with interest to the date of repayment, and Borrower will immediately make such payment within three (3) days of receipt of a demand. The payment remedy is in addition to any and all other rights and remedies against Borrower and others to which Lender may be entitled.

4.04 Further Assurances. At Borrower's expense, Borrower will take, and will cause Subsidiary to take, all reasonable actions requested by Lender to create and maintain for the benefit of Lender valid liens upon, security titles to and/or perfected security interests in any

collateral security described in Section 2.01 or the Security Instruments and all other security for the Secured Obligations now or hereafter held by or for Lender, including, without limitation, the execution, delivery, filing and recordation of UCC-1 Financing Statements and Assignments or Security Interests in United States Trademarks and Patents, each in a form reasonably satisfactory to Lender. Without limiting the foregoing, Borrower agrees to execute, and to cause Subsidiary to execute, such further instruments (including financing statements and continuation statements) as may be required or permitted by any law relating to notices of, or affidavits in connection with, the perfection of Lender's security interests, and to cooperate with Lender in the filing or recording and renewal thereof.

4.05 Limitations on Debt and Obligations. Borrower will not, and will cause Subsidiary not to, issue, assume, guarantee or otherwise become liable or permit to exist any indebtedness except (i) the Senior Indebtedness; (ii) the indebtedness incurred pursuant to the Debenture; (iii) accounts payable and other trade payables incurred in the ordinary course of business; (iv) obligations of Borrower and/or Subsidiary pursuant to capitalized leases not exceeding $400,000 in the aggregate and/or purchase money financing of equipment; (v) indebtedness incurred by Borrower and/or Subsidiary from state or nationally chartered banks in an amount not to exceed eighty percent (80%) of Borrower's outstanding eligible accounts receivable; (vi) indebtedness that refinances secured indebtedness under clause (i) above, provided that the collateral for such new indebtedness is the collateral from the refinanced secured indebtedness and the aggregate principal amount of such indebtedness does not exceed the principal amount outstanding under the refinanced indebtedness; or (vii) indebtedness to Stephen S. Coffee in an amount not to exceed $500,000 incurred in connection with the redemption by Borrower of capital stock of Borrower currently owned by Stephen S. Coffee (the "Coffee Redemption").

4.06 Financial Statements and Reports. Until such time as the Loan is no longer outstanding, Borrower will furnish to Lender (i) within one hundred twenty (120) days after the end of each fiscal year of Borrower, an audited consolidated balance sheet of Borrower as of the close of such fiscal year, an audited consolidated income statement of Borrower for such fiscal year, and audited consolidated statements of cash flows for Borrower for such fiscal year, all in reasonable detail, prepared in accordance with GAAP, and in such form as has customarily been prepared by Borrower; (ii) within thirty (30) days of the end of each calendar month, consolidated balance sheets of Borrower as of the close of such month and a consolidated income statement of Borrower for such month, all in reasonable detail, and prepared on the basis of GAAP, together with a certificate of Borrower's Chief Executive Officer and/or Chief Financial Officer confirming Borrower's compliance (or lack thereof) with all the terms and conditions of the Loan Documents; and (iii) with reasonable promptness, such other financial data as Lender may reasonably request from time to time.

4.07 Maintenance of Books and Records, Inspection. Borrower will maintain its books, accounts and records sufficiently to comply with GAAP, and permit a representative of Lender, at Lender's expense and upon two (2) days' prior written notice, to visit and inspect any

of its properties (including, but not limited to, the Collateral), corporate books and financial records, and to discuss its accounts, affairs and finances with Borrower and Subsidiary or the principal officers of Borrower during business hours, and without interruption of Borrower's business, all at such times as Lender may reasonably request.

4.08 Insurance. Without limiting any of the requirements of any of the other Loan Documents, Borrower will maintain, and will cause Subsidiary to maintain, in amounts customary for entities engaged in comparable business activities, life, fire, liability and other forms of insurance on its properties (including, but not limited to, the Collateral now or hereafter securing payment and performance of the Secured Obligations), against such hazards, with such insurance companies and in at least such amounts as are customary in Borrower's and/or Subsidiary's business. At the request of Lender, Borrower will deliver forthwith a certificate specifying the details of such insurance in effect and that Lender is a loss payee with respect to any such insurance applicable to Collateral.

4.09 Taxes and Assessments. Borrower will, and will cause Subsidiary to, (a) file all tax returns and appropriate schedules thereto that are required to be filed under applicable law, prior to the date of delinquency, (b) pay and discharge all taxes, assessments and governmental charges or levies imposed upon Borrower or Subsidiary, upon its income and profits or upon any properties belonging to it, prior to the date on which penalties attach thereto, and (c) pay all taxes, assessments and governmental charges or levies that, if unpaid, might become a lien or charge upon any of its properties; provided, however, that Borrower and/or Subsidiary in good faith may contest any such tax, assessments and governmental charge or levy described in the foregoing clauses (b) and (c) so long as adequate reserves are maintained with respect thereto.

4.10 Corporate Existence. Borrower will maintain, and will cause Subsidiary to maintain, its corporate existence and good standing in the state of its incorporation and its qualification and good standing as a foreign corporation in each jurisdiction in which such qualification is required by applicable law.

4.11 Compliance with Law and Agreements, Borrower will maintain, and will cause Subsidiary to maintain, its business operations and property owned or used in connection therewith in compliance with (i) all applicable federal, state and local laws, regulations and ordinances governing such business operations and the use and ownership of such property, and (ii) all agreements, licenses, franchises, indentures, mortgages and deeds of trust to which Borrower and/or Subsidiary is a party or by which Borrower, Subsidiary or any of their properties are bound. Without limiting the foregoing, Borrower and Subsidiary will pay all of its indebtedness promptly in accordance with the terms thereof.

4.12 Notice of Default. Borrower will give written notice to Lender of the occurrence of any Event of Default (as defined below) under this Agreement or any event of default under any other Loan Document promptly upon the occurrence thereof.

4.13 Notice of Litigation. Borrower will give notice, in writing, to Lender of (i) any actions, suits or proceedings instituted by any persons whomsoever against Borrower or Subsidiary that could materially adversely affect any of the material assets of Borrower or Subsidiary, and (ii) any dispute between Borrower or Subsidiary on the one hand and any governmental regulatory body on the other hand, which dispute might interfere with the normal operations of Borrower and/or Subsidiary; provided, however, that Lender will not disclose any such information to any third party other than Lender's counsel except to the extent compelled by legal process or law or otherwise authorized by Borrower.

4.14 Informational Covenant. Borrower will furnish or cause to be furnished to the U.S. Small Business Administration (the "SBA") information required by the SBA concerning the economic impact of Lender's investment, including but not limited to information concerning federal, state, and local income taxes paid, number of employees, gross revenues, source of revenue growth, after tax profit or loss, and federal, state and employee income tax withholding. Borrower will furnish annually all information required on the appropriate SBA forms. Borrower will also furnish or cause to be furnished to the SBA such other information regarding the business, affairs and condition of Borrower as the SBA may from time to time reasonably request. Borrower will permit SBA examiners to inspect the books and any of the properties or assets of Borrower and its subsidiaries and to discuss Borrower's business with senior management employees at such reasonable times as the SBA may from time to time request.

4.15 ERISA Plan. If Borrower has in effect, or hereafter institutes, a pension plan that is subject to the requirements of ERISA, then the following covenants will be applicable during such period as any such plan (a "Pension Plan") will be in effect: (i) throughout the existence of the Pension Plan, Borrower's contributions under the Pension Plan will meet the minimum funding standards required by ERISA and Borrower will not institute a distress termination of the Pension Plan, and (ii) Borrower will send to Lender a copy of any notice of a reportable event (as defined in ERISA) required by ERISA to be filed with the Labor Department or the Pension Benefit Guaranty Corporation, at the time that such notice is so filed.

4.16 Board of Directors. Borrower agrees to take all actions necessary to appoint one (1) designee of Lender to serve on the Borrower's Board of Directors. Such designee will serve as a director of the Borrower until such time as the Borrower receives an equity investment by a venture capital or institutional investor of at least $1,000,000, at which time one representative designated by Lender will have the right to attend, at Borrower's expense, all meetings of Borrower's Board of Directors and all committees of Borrower's Board of Directors and participate in a nonvoting capacity and, in this respect, Borrower will give the designated representative copies of all notices, written consents and other materials provided to directors in preparation for or as part of such meetings or otherwise at such times as such notices, written consents and materials are provided to the Board of Directors.

4.17 Restricted Payments. Except as set forth in Section 4.17 of the Disclosure Schedule, Borrower will not declare, set aside, or pay or make any "Restricted Payments" (as

hereinafter defined) without obtaining Lender's prior written consent. As used in this Agreement, "Restricted Payment" means (i) any dividend or other distribution on any shares of Borrower's capital stock (except dividends payable solely in shares of its capital stock); (ii) any payment on account of the purchase, redemption, retirement or acquisition of (a) any shares of Borrower's capital stock (except shares acquired upon the conversion thereof into other shares of its capital stock and except for shares acquired in connection with the Coffee Redemption) or (b) any option, warrant or other right to acquire shares of Borrower's capital stock; or (iii) (A) during the first year commencing with the first full month immediately after the date of this Agreement, any payment to Mark Clifford as compensation for services in excess of an aggregate annual amount of $165,000, and any payment to Mark Clifford, together with payments to his spouse and children (which will be in amounts not greater than otherwise payable in an arms' length transaction), as compensation for services in excess of an aggregate annual amount of $200,000, and (B) thereafter, during the term of this Agreement, all compensation to Mark Clifford and payments to his spouse and children, including merit increases, bonuses, and incentive compensation, shall be as recommended by a two-member compensation committee consisting of: two outside members of the board of directors of the Borrower one of which is an individual designated by Lender; provided, however, that the annual amount of compensation to Mark Clifford, individually, shall not in any event be less than $165,000, and to Mark Clifford, his spouse and children, collectively, $200,000.

4.18 Financial Covenants.

(a) Borrower will, from January 1, 2000 until fiscal year-end December 31, 2000, maintain a ratio of Total Liabilities (as defined below) to Effective Tangible Net Worth (as defined below) of not more than 2.75 to 1.00. At all times thereafter, said ratio will not exceed 2.00 to 1.00. "Total Liabilities" will mean all liabilities of Borrower, including capitalized leases and all reserves for deferred taxes and other deferred sums appearing on the liabilities side of a balance sheet, in accordance with generally accepted account principles applied on a consistent basis. "Effective Tangible Net Worth" will mean total assets minus Total Liabilities. For purposes of this computation, the aggregate amount of any intangible assets of Borrower, including without limitation, goodwill, franchises, licenses, patents, trademarks, trade names, copyrights, service marks, and brand names, will be subtracted from total assets.

(b) Borrower will, beginning March 1, 2000, and at all times thereafter, maintain a Funds Flow Coverage Ratio of not less than 1.25 to 1.00. "Funds Flow Coverage Ratio" will mean the sum of earnings before interest, depreciation and amortization minus dividends paid for the previous four consecutive fiscal quarters, withdrawals, extraordinary gains and non-cash income divided by the sum of all current maturities of long term debt and capital lease obligations plus interest.

(c) Borrower will, from and after the March 1, 2000 maintain Working Capital of at least $1,200,000. "Working Capital" will mean Current Assets minus Current Liabilities. "Current Assets" will mean all assets which are so classified in accordance with generally

accepted accounting principles, other than the current portion of any debt due to Borrower from Borrower's officers, employees, stockholders, affiliates or subsidiaries, or the current portion of prepaid or deferred obligations, all of which will be excluded from Current Assets. "Current Liabilities" will mean all liabilities which are so classified in accordance with generally accepted accounting principles, plus the long term portion of any debt due from Borrower to Borrower's officers, employees, stockholders, affiliates or subsidiaries, which will be included in Current Liabilities.

4.19 Investments. Borrower will not, and will not permit any subsidiary to, acquire substantially all of the business or assets or more than fifty percent (50%) of the outstanding stock or voting power of any other entity.

4.20 Mergers, Consolidations and Sales of Assets. Without Lender's prior written consent, (a) Borrower will not, and will not permit any subsidiary to (1) consolidate with or be a party to a merger or share exchange with any other corporation or (2) sell, lease or otherwise dispose of all or any substantial part (as defined in paragraph (d) of this Section 4.20) of the assets of Borrower and its subsidiaries; provided, however, that:

(i) any subsidiary may merge or consolidate with and into Borrower or any wholly owned subsidiary so long as in any merger or consolidation involving Borrower, Borrower will be the surviving or continuing corporation; and

(ii) any subsidiary may sell, lease or otherwise dispose of all or any substantial part of its assets to Borrower or any wholly owned subsidiary.

(b) Without Lender's prior written consent, not to be unreasonably withheld, Borrower will not permit any subsidiary to issue or sell any shares of stock of any class (including as "stock" for the purposes of this Section 4.20, any warrants, rights or options to purchase or otherwise acquire stock or other securities exchangeable for or convertible into stock) of such subsidiary to any person other than Borrower or a wholly owned subsidiary.

(c) Except as described in Section 4.20 of the Disclosure Schedule, Borrower will not, without Lender's prior written consent, not to be unreasonably withheld, sell, transfer or otherwise dispose of any shares of stock in any subsidiary, and will not permit any subsidiary to sell, transfer or otherwise dispose of (except to Borrower or a wholly owned subsidiary) any shares of stock or any indebtedness of any other subsidiary, unless:

(i) simultaneously with such sale, transfer or disposition, all shares of stock and all indebtedness of such subsidiary at the time owned by Borrower and by every other subsidiary will be sold, transferred or disposed of as an entirety;

(ii) the Board of Directors of Borrower will have determined, as evidenced by a resolution thereof, that the retention of such stock and indebtedness is no longer in the best interests of Borrower;

(iii) such stock and indebtedness are sold, transferred or otherwise disposed of to Borrower for a cash consideration and on terms reasonably deemed by the Board of Directors to be adequate and satisfactory;

(iv) the subsidiary being disposed of will not have any continuing investment in Borrower or any other subsidiary not being simultaneously disposed of; and

(v) such sale or other disposition does not involve a substantial part (as hereinafter defined) of the assets of Borrower and its subsidiaries.

(d) As used in this Section 4.20, a sale, lease or other disposition of assets will be deemed to be a "substantial part" of the assets of Borrower and its subsidiaries only if the book value of such assets, when added to the book value of all other assets sold, leased or otherwise disposed of by Borrower and its subsidiaries (other than in the ordinary course of business) during the same twelve-month period ending on the date of such sale, lease or other disposition, exceeds 10% of the consolidated net tangible assets of Borrower and its subsidiaries determined as of the end of the immediately preceding fiscal year.

4.21 Transactions with Affiliates. Except as set forth on Section 4.21 of the Disclosure Schedule:

(a) Borrower will not, and will not permit any subsidiary to, enter into or be a party to any transaction or arrangement with any officer, director or affiliate (including, without limitation, the purchase from, sale to or exchange of property with, or the rendering of any service by or for, any affiliate), except in the ordinary course of and pursuant to the reasonable requirements of Borrower's or such subsidiary's business and upon fair and reasonable terms no less favorable to Borrower or such subsidiary than would obtain in a comparable arm's-length transaction with a person other than an affiliate, in each case as determined in good faith by a majority of the disinterested directors of Borrower (as the term "disinterested" is used in Section 144 of the Delaware General Corporation Law).

(b) Borrower will not, and will not permit any subsidiary to, make any payments on or with respect to any indebtedness of Borrower to any shareholder of Borrower, or any family member of any such shareholder, or repurchase or retire any such indebtedness, so long as the Loan and the Warrants will be outstanding.

4.22 Change in Control. Except as set forth in Section 4.22 of the Disclosure Schedule, Borrower will not, without Lender's prior written approval, not to be unreasonably withheld, permit to occur any transaction, or series of related transactions, in which any person or entity that is not a shareholder on the date hereof acquires securities representing greater than 50% of the voting power with respect to Borrower's capital stock.

4.23 Changes in Equity, No Impairment of Warrants. Except as set forth in Section 4.23 of the Disclosure Schedule, Borrower will not, so long as the Loan or Warrants remain outstanding:

(a) without the prior written consent of Lender, enter into any agreement, or amend any existing agreement, including Borrower's Articles of Incorporation or Bylaws, that would prohibit or restrict Borrower from performing its obligations under the Loan Documents and/or the Warrants;

(b) without the prior written consent of Lender, reclassify any Common Stock into shares having any preference or priority as to dividends, voting or assets superior to the Common Stock;

(c) establish or suffer to exist a par value for the Common Stock that results in the shares issuable upon exercise of the Warrants being issued or issuable at less than the par value per share of such Common Stock; or

(d) avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under the Warrants, and Borrower will at all times in good faith assist in the carrying out of all of the provisions of the Warrants and in the taking of all such action as may be reasonably necessary or appropriate in order to protect the rights of the holders of the Warrants against impairment.

4.24 Life Insurance for Mark Clifford. Not more than forty-five (45) days immediately after the Closing, Borrower will obtain and maintain and pay when due all premiums on life insurance not less than the outstanding principal amount of the Loan on the life of Mark Clifford collaterally assigned to Lender pursuant to the Collateral Assignment of Life Insurance substantially in the form attached hereto as Exhibit H ("Collateral Assignment").

4.25 Chief Executive Office. Borrower will not move its chief executive office until it will have (i) given to Lender not less than thirty (30) days prior written notice of its intention to do so, clearly describing the new location and providing such other additional information as Lender may reasonably request; and (ii) taken all action reasonably satisfactory to Lender to maintain the security interest of Lender in the Collateral at all times fully perfected in full force and effect.

4.26 Change of Name. Borrower will not change its legal name until it will have (i) given Lender at least thirty (30) days prior written notice of its intention to do so, clearly describing such new name and providing such additional information as Lender may reasonably request; and (ii) taken all action requested by Lender to maintain the security interest of Lender in the Collateral fully perfected and in full force and effect.

4.27 Modification of Terms; Collection. Except in the ordinary course of business consistent with past practices, Borrower and Subsidiary will not rescind or cancel any indebtedness evidenced by any receivable or under any contract, or modify in any material respect any term thereof, or make any material adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto without the prior written consent of Lender. Borrower and Subsidiary will in accordance with reasonable business practices cause to be collected from account debtors receivables or third parties under any contract, as and when due any and all amounts owing under or on account of such receivables or contracts.

4.28 Trademarks. Borrower and Subsidiary each will maintain and will not divest itself of any trademark without the prior written consent of Lender. Borrower and Subsidiary will promptly notify Lender of any infringement of any of Borrower's or Subsidiary's trademarks by any third party known to Borrower. Borrower and Subsidiary will use their respective trademarks in interstate or foreign commerce during the terms of this Agreement in a manner sufficient to preserve such trademarks; provided, however, that Borrower and Subsidiary will be under no obligation to preserve any trademark if Borrower or Subsidiary determines in its reasonable business judgment that the preservation of the trademark is not desirable in the conduct of its business. If any trademark registration issues to Borrower or Subsidiary after the date of this Agreement, within thirty (30) days of receipt of such certificate, Borrower will deliver to Lender a copy of such certificate and an assignment for security in the trademark, in form reasonably satisfactory to Lender. In the event Borrower fails to take any action to maintain any trademark of Borrower, Lender may, in Lender's reasonable discretion and at Borrower's sole expense, take such action as is reasonably necessary to maintain any such trademark of Borrower or Subsidiary.

4.29 Patents. Borrower and Subsidiary each will maintain and will not divest itself of any patent listed in Section 3.17(a) of the Disclosure Schedule without the prior written consent of Lender. Borrower will notify Lender promptly of any infringement of any of Borrower's or Subsidiary's patents by any third party known to Borrower. If any patent issues after the date of this Agreement to Borrower or Subsidiary, within thirty (30) days of receipt of such certificate, Borrower will deliver to Lender a copy of such certificate an assignment for security in the patent in form reasonably satisfactory to Lender. In the event Borrower fails to take any action to maintain any patent of Borrower or Subsidiary, Lender may, in Lender's reasonable discretion and at Borrower's sole expense, take such action as is reasonably necessary to maintain any such patent of Borrower or Subsidiary.

4.30 Copyrights. Borrower and Subsidiary each will maintain and will not divest itself of any copyright listed in Section 3.17(a) of the Disclosure Schedule material to its business without the prior written consent of Lender. Borrower will notify Lender promptly of any infringement of any of Borrower's or Subsidiary's copyrights by any third party known to Borrower. Borrower and Subsidiary will cause all of its computer software, the licensing of which results in receivables and/or any significant release thereof to be registered with the United

States Copyright Office prior to general release to Borrower's or Subsidiary's customers. Immediately upon filing by Borrower or Subsidiary of an application for such copyright, Borrower will deliver to Lender a copy of such application and an assignment for security in the copyright in form reasonably satisfactory to Lender. In the event Borrower fails to take any action to maintain any copyright of Borrower or Subsidiary, Lender may, in Lender's reasonable discretion and at Borrower's sole expense, take such action as is reasonably necessary to maintain any such copyright of Borrower or Subsidiary.

ARTICLE V

CONDITIONS TO CLOSING

The obligation of Lender to purchase and pay for the Debenture on the Closing Date will be subject to the fulfillment on or before the Closing Date of each of the following conditions.

5.01 Representations and Warranties. The representations and warranties of Borrower and Subsidiary contained in this Agreement, in the Disclosure Schedule, and in any other schedule hereto or any document or instrument delivered to Lender or its representatives hereunder, will have been true and correct when made and will be true and correct as of the Closing Date as if made on such date, except to the extent such representations and warranties expressly relate to a specific date. Borrower and Subsidiary will have duly performed all of the covenants and agreements to be performed by it hereunder on or prior to the Closing Date.

5.02 Satisfactory Proceedings. All proceedings taken in connection with the transactions contemplated by this Agreement, and all documents necessary to the consummation thereof, will be satisfactory in form and substance to Lender and Lender's counsel.

5.03 Required Consents. Any consents or approvals required to be obtained from any third party, including any holder of indebtedness or any outstanding security of Borrower or Subsidiary, and any amendments of agreements which will be necessary to permit the consummation of the transactions contemplated hereby on the Closing Date, will have been obtained and all such consents or amendments will be satisfactory in form and substance to Lender and Lender's counsel.

5.04 Conditions of Lender's Obligations. Lender will have received the following documents, in form and substance satisfactory to Lender in its reasonable discretion:

(a) Corporate Documents. A copy of the Articles of Incorporation of Borrower, certified by the Secretary of State of North Carolina, and certificates of good standing from the secretaries of state of each state where Borrower conducts business, all as of a recent date.

(b) Guaranty; Subsidiary Security Agreement. The Guaranty to the effect set forth in Exhibit D-1 hereto and the Subsidiary Security Agreement to the effect set forth in Exhibit D-2 hereto.

(c) Officer's Certificate. A certificate of the President and Chief Executive Officer of Borrower to the effect set forth in Exhibit E hereto.

(d) Opinion of Counsel. The opinion of counsel to Borrower, in form reasonably satisfactory to Lender, substantially in the form of Exhibit F hereto.

(e) Secretary's Certificate. A certificate of the Secretary, or an Assistant Secretary of Borrower to the effect set forth in Exhibit G hereto.

(f) Debenture. The Debenture, duly completed and executed.

(g) Stock Purchase Warrants. The Warrants duly completed and executed.

(h) UCC-1 Financial Statements; Assignments of Security Interests. Financing Statements on Form UCC-1 and Assignments of Security Interests, each in a form reasonably satisfactory for filing with applicable governmental authorities duly completed and executed by Borrower and Subsidiary, securing the rights of Lender to the Collateral.

(i) SBA Documentation. SBA Form 480 (Size Status Declaration) and SBA Form 652 (Assurance of Compliance), which have been completed and executed by Borrower, and SBA Form 1031 (portfolio Finance Report), Part A and Part B of which have been completed by Borrower.

(j) Payment of Closing Fee. Evidence that the Closing Fee has been or is being paid in full.

(k) Senior Indebtedness. Copies of the documentation evidencing and securing the Senior Indebtedness.

(l) Intercreditor Agreement. An intercreditor agreement with First Union National Bank, duly completed and executed, in a form reasonably satisfactory to Lender.

(m) Miscellaneous. Such other documents as Lender may reasonably request.

ARTICLE VI

DEFAULT AND REMEDIES

6.01 Events of Default. The occurrence of any of the following will constitute an Event of Default hereunder:

(a) Default in the payment of the principal of or interest on the indebtedness evidenced by the Debenture in accordance with the terms of the Debenture, which default is not cured within ten (10) business days;

(b) Any material misrepresentation by Borrower or Subsidiary as to any matter hereunder or under any of the other Loan Documents, or delivery by Borrower or Subsidiary of any schedule, statement, resolution, report, certificate, notice or writing to Lender that is untrue in any material respect on the date as of which the facts set forth therein are stated or certified;

(c) Failure of Borrower or Subsidiary to perform any of its obligations under this Agreement, any of the Security Instruments or any of the other Loan Documents or the Warrants beyond any applicable cure or grace period;

(d) Borrower's (i) admission in writing its inability to pay its debts generally as they become due; or (ii) assignment for the benefit of creditors or petition or application to any tribunal for the appointment of a custodian, receiver or trustee for it or a substantial part of its assets; or (iii) voluntary commencement of any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or the involuntary commencement of any such proceeding that is not dismissed within ninety (90) days; or (iv) suffering to exist any such petition or application or any such proceeding against it in which an order for relief is entered or an adjudication or appointment is made; or (v) indication, by any act or omission, of its consent to, approval of or acquiescence in any such petition, application, proceeding or order for relief or the appointment of a custodian, receiver or trustee for it or a substantial part of its assets, or (vi) permitting any such custodianship, receivership or trusteeship to continue undischarged for a period of ninety (90) days or more,

(e) Borrower's liquidation, dissolution, partition or termination;

(f) An Event of Default or event of default under any of the other Loan Documents that, if subject to a cure right, is not cured within any applicable cure period;

(g) Borrower's default in the timely payment or performance of any obligation now or hereafter owed to Lender in connection with any indebtedness of Borrower now or hereafter owed to Lender other than the Loan;

(h) (i) Borrower's default in the timely payment or performance of the Senior Indebtedness or any principal of or premium or interest on any other debt owed by Borrower (other than the Loan), which is outstanding in a principal amount of at least $50,000 in the aggregate, when the same becomes due and payable (whether by scheduled maturity,

acceleration, demand or otherwise), if such failure will continue after any cure period applicable thereto; or (ii) the occurrence of any other event or condition under any agreement or instrument relating to any such indebtedness that continues after any applicable cure period, if the effect of such event or condition is to accelerate or permit the acceleration of such indebtedness; or (iii) the acceleration of any such indebtedness or otherwise declaration to be due and payable prior to the stated maturity thereof of any such indebtedness; or (iv) requirement that any such indebtedness be prepaid, redeemed, purchased or defeased prior to the stated maturity thereof.

With respect to any Event of Default described above that is capable of being cured and that does not already provide its own cure procedure (a "Curable Default"), the occurrence of such Curable Default will not constitute an Event of Default hereunder if such Curable Default is fully cured and/or corrected within thirty (30) days (ten (10) days, if such Curable Default may be cured by payment of a sum of money) of notice thereof to Borrower.

6.02 Acceleration of Maturity, Remedies. Upon the occurrence of any Event of Default described in Section 6.01, the Secured Obligations will be immediately due and payable in full; and Lender at any time thereafter may at its option accelerate the maturity of the Secured Obligations. Upon the occurrence of any such Event of Default and the acceleration of the maturity of the Secured Obligations, Lender will have the following rights and remedies:

(a) All of the rights and remedies of a secured party under the Uniform Commercial Code of the State of North Carolina, or under other applicable law, all of which rights and remedies will be cumulative, and none of which will be exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Agreement, the Debenture or the Warrants.

(b) The right to: (i) enter upon the premises of Borrower or Subsidiary, or any other place or places where the Collateral is located and kept, through self-help and without judicial process, without first obtaining a final judgment or giving Borrower or Subsidiary notice and opportunity for a hearing on the validity of Lender's claims and without any obligation to pay rent to Borrower or Subsidiary, and remove the Collateral therefrom to the premises of Lender or any agent of Lender, for such time as Lender may desire, in order to effectively collect or liquidate the Collateral, and/or (ii) require Borrower or Subsidiary to assemble the Collateral and make it available to Lender at a place to be designated by Lender in its sole discretion.

(c) The right to sell or otherwise dispose of all or any Collateral in its then condition, or after any further manufacturing or processing thereof, at public or private sale or sales, with such notice as may be required by law, in lots or in bulk, for cash or on credit, all as Lender, in its reasonable discretion may deem advisable; such sales may be adjourned from time to time with or without notice. Lender will have the right to conduct such sales on Borrower's or Subsidiary's premises or elsewhere and will have the right to use Borrower's or Subsidiary's premises without charge for such sales for such time or times as Lender may deem reasonably necessary. Lender is hereby granted a license or other right to use, without charge, Borrower's or Subsidiary's labels,

patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in advertising for sale and selling any Collateral and Borrower's or Subsidiary's rights under all licenses and all franchise agreements will inure to Lender's benefit. Lender will have the right to sell, lease or otherwise dispose of the Collateral, or any part thereof, for cash, credit or any combination thereof, and Lender may purchase all or any part of the Collateral at public or, if permitted by applicable law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Secured Obligations. The proceeds realized from the sale of any Collateral will be applied first to costs, expenses and attorneys' fees and expenses incurred by Lender for collection and for acquisition, completion, protection, removal, storage, sale and delivery of the Collateral; second to interest due upon any of the Secured Obligations; third to the principal of the Secured Obligations. If any deficiency will arise, Borrower will remain liable to Lender therefor.

(d) Any notice required to be given by Lender of a sale, lease, other disposition of the Collateral or any other intended action by Lender, given to Borrower in the manner set forth in Section 8.9 below ten (10) days prior to such proposed action, will constitute commercially reasonable and fair notice thereof to Borrower and Subsidiary.

(e) Upon and during the continuance of an Event of Default, Borrower and Subsidiary each irrevocably designates, makes, constitutes, and appoints Lender (and all persons designated by Lender) as Borrower's and Subsidiary's true and lawful attorney, and Lender may, without notice to Borrower or Subsidiary and at such time or times thereafter as Lender, in its reasonable discretion, may determine, in Borrower's, Subsidiary's or Lender's name(s): (i) demand payment of accounts; (ii) enforce payment of accounts by legal proceedings or otherwise; (iii) exercise all of Borrower's and Subsidiary's rights and remedies with respect to the collection of accounts; (iv) settle, adjust, compromise, extend or renew accounts; (v) settle, adjust or compromise any legal proceedings brought to collect accounts; (vi) if permitted by applicable law, sell or assign accounts and other Collateral upon such terms, for such amounts and at such time or times as Lender deems advisable; (vii) discharge and release accounts and other Collateral; (viii) prepare, file and sign Borrower's or Subsidiary's name on a proof of claim in bankruptcy or similar document against any account debtor and exercise Borrower's or Subsidiary's rights to vote with respect thereto in such bankruptcy case; (ix) prepare, file and sign Borrower's or Subsidiary's name on any notice of lien, assignment or satisfaction of lien or similar document in connection with accounts and other Collateral; (x) do all acts and things necessary, in Lender's reasonable discretion, to fulfill Borrower's or Subsidiary's obligations under this Agreement; (xi) endorse the name of Borrower or Subsidiary upon any of the items of payment or proceeds thereof and deposit the same to the account of Lender on account of the Secured Obligations; (xii) endorse the name of Borrower or Subsidiary upon any chattel paper, document, instrument, invoice, freight bill, bill of lading, or similar document or agreement relating to the accounts, inventory and other Collateral; (xiii) use Borrower's or Subsidiary's stationery and sign the name of Borrower or Subsidiary to verifications of such accounts and notices thereof to account debtors; and (xiv) use the information recorded on or contained in any data processing equipment and

computer hardware and software relating to the Collateral to which Borrower or Subsidiary has access.

(f) License for Use of Software and Other Intellectual Property. After the occurrence and during the continuance of an Event of Default, unless expressly prohibited by any licensor thereof, Lender is hereby granted a license to use all computer software programs, data bases, processes, trademarks, tradenames and materials used by Borrower or Subsidiary in connection with its business or in connection with the Collateral.

6.03 Remedies Cumulative, No Waiver. No right, power or remedy conferred upon or reserved to Lender by this Agreement or any of the other Loan Documents is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy will be cumulative and concurrent and will be in addition to any other right, power and remedy given hereunder, under any of the other Loan Documents now or hereafter existing at law, in equity or by statute. No delay or omission by Lender to exercise any right, power or remedy accruing upon the occurrence of any Event of Default will exhaust or impair any such right, power or remedy or will be construed to be a waiver of any such Event of Default or an acquiescence therein, and every right, power and remedy given by this Agreement and the other Loan Documents to Lender may be exercised from time to time and as often as may be deemed expedient by Lender.

6.04 Proceeds of Remedies. Any or all proceeds resulting from the exercise of any or all of the foregoing remedies will be applied as set forth in the Loan Document(s) providing the remedy or remedies exercised; if none is specified, or if the remedy is provided by this Agreement, then as follows:

First, to the costs and expenses, including reasonable attorneys' fees, incurred by Lender in connection with the exercise of its remedies;

Second, to the expenses of curing the default that has occurred, in the event that Lender, in its reasonable discretion, has exercised its right to cure the default that has occurred;

Third, to the payment of the Secured Obligations, including but not limited to the payment of the principal of and interest on the indebtedness evidenced by the Debenture, in such order of priority as Lender will determine in its reasonable discretion; and

Fourth, the remainder, if any, to Borrower or to any other person lawfully thereunto entitled.

ARTICLE VII

TERMINATION

This Agreement will remain in full force and effect until the Maturity Date (as defined in the Debenture), or the indefeasible repayment in full of the Debenture, whichever is later.

ARTICLE VIII

MISCELLANEOUS

8.01 Performance By Lender. If Borrower defaults in the payment, performance or observance of any covenant, term or condition of this Agreement, Lender may, at its option, pay, perform or observe the same, and all payments made or costs or expenses incurred by Lender in connection therewith (including but not limited to reasonable attorneys' fees), with interest thereon at the highest default rate provided in the Debenture (but not exceeding the maximum contract rate from time to time allowed by applicable law), will be immediately repaid to Lender by Borrower and will constitute a part of the Secured Obligations and be secured hereby until fully repaid. Lender, in its reasonable discretion, will determine the necessity for any such actions and of the amounts to be paid.

8.02 Successors and Assigns Included in Parties. Whenever in this Agreement one of the parties hereto is named or referred to, the heirs, legal representatives, successors, successors-in-title and assigns of such parties will be included, and all covenants and agreements contained in this Agreement by or on behalf of Borrower or by or on behalf of Lender will bind and inure to the benefit of their heirs, legal representatives, successors, successors-in-title and assigns, whether so expressed or not.

8.03 Costs and Expenses. Borrower agrees to pay all costs and expenses up to Ten Thousand Dollars ($10,000.00) incurred by Lender in connection with the making of the Loan that is the subject of this Agreement, including but not limited to filing fees, recording taxes and reasonable attorneys' fees, promptly upon demand of Lender. Borrower further agrees to pay all premiums for insurance required to be maintained pursuant to the terms of the Loan Documents and all of the out-of-pocket costs and expenses incurred by Lender in connection with the collection of the Secured Indebtedness upon an Event of Default, including but not limited to reasonable attorneys' fees, promptly upon demand of Lender.

8.04 Assignment. The Debenture, this Agreement and the other Loan Documents and the Warrants may be endorsed, assigned and/or transferred in whole or in part by Lender, and any such holder and/or assignee of the same will succeed to and be possessed of the rights and powers of Lender under all of the same to the extent transferred and assigned. Notwithstanding the foregoing, the Debenture may be transferred, at Lender's option, to one or more persons, in whole or in part, so long as such transferees (a) are members, partners, shareholders or affiliates of Lender, or members, partners or shareholders of any of the foregoing; (b) agree to hold the

Debenture subject to all the terms hereof; and (c) will appoint Lender as its sole agent for exercising the rights of such transferees hereunder, excepting the right to collect amounts due on the Debenture (or part thereof) held by such transferee, which collection rights may be exercised by any transferee. Neither Borrower nor Subsidiary will assign any of its rights or delegate any of its duties hereunder or under any of the other Loan Documents without the prior express written consent of Lender.

8.05 Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Borrower or Subsidiary hereunder and under all of the other Loan Documents.

8.06 Severability. If any provision(s) of this Agreement or the application thereof to any person or circumstance will be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances will not be affected thereby and will be enforced to the greatest extent permitted by law.

8.07 Interest and Loan Charges Not to Exceed Maximum Allowed by Law. Anything in this Agreement, the Debenture, the Security Instruments or any of the other Loan Documents to the contrary notwithstanding, in no event whatsoever, whether by reason of advancement of proceeds of the Loan, acceleration of the maturity of the unpaid balance of the Secured Indebtedness, acceptance or exercise of the Warrants, or otherwise, will the interest and loan charges agreed to be paid to Lender for the use of the money advanced or to be advanced hereunder exceed the maximum amounts collectible under applicable laws in effect from time to time. It is understood and agreed by the parties that, if for any reason whatsoever the interest or loan charges paid or contracted to be paid by Borrower in respect of the indebtedness evidenced by the Debenture will exceed the maximum amounts collectible under applicable laws in effect from time to time, then ipso facto, the obligation to pay such interest and/or loan charges will be reduced to the maximum amounts collectible under applicable laws in effect from time to time, and any amounts collected by Lender that exceed such maximum amounts will be applied to the reduction of the principal balance of the Secured Indebtedness and/or refunded to Borrower so that at no time will the interest or loan charges paid or payable in respect of the Secured Indebtedness exceed the maximum amounts permitted from time to time by applicable law.

8.08 Article and Section Headings, Defined Terms. Numbered and titled article and section headings and defined terms are for convenience only and will not be construed as amplifying or limiting any of the provisions of this Agreement.

8.09 Notices. Any and all notices, elections or demands permitted or required to be made under this Agreement will be in writing, signed by the party giving such notice, election or demand and will be delivered personally, telecopied, telexed, or sent by certified mail or nationally recognized courier service (such as Federal Express), to the other party at the address set forth below, or at such other address as may be supplied in writing and of which receipt has been acknowledged in writing. The date of personal delivery, telecopy or telex or one business

day after delivery to such courier service or two business days after mailing, as the case may be, will be the date of such notice, election or demand. For the purposes of this Agreement:

The address of Lender is:	Oberlin Capital, L.P. 702 Oberlin Road Suite 150 Raleigh, North Carolina 27605 Attention: Robert G. Shepley
with a copy (which will not constitute notice) to:	Kilpatrick Stockton LLP 3737 Glenwood Avenue Suite 400 Raleigh, North Carolina 27612 Attention: James F. Verdonik
The address of Borrower and each Subsidiary is:	Nine Rivers Technology Corporation 701 Corporate Center Drive, Suite 125 Raleigh, North Carolina 27607 Attention: Mark D. Clifford, President
with a copy (which will not constitute notice) to:	Hutchison & Mason PLLC 3110 Edwards Mill Road, Suite 100 Raleigh, North Carolina 27612 Attention: Merrill M. Mason

8.10 Entire Agreement. This Agreement and the other written agreements between Borrower, each Subsidiary and Lender represent the entire agreement between the parties concerning the subject matter hereof, and all oral discussions and prior agreements are merged in this Agreement.

8.11 Miscellaneous. This Agreement will be construed and enforced under the laws of the State of North Carolina without respect to the principles of the choice of law or the conflicts of laws. No amendment or modification hereof will be effective except in a writing executed by each of the parties hereto.

(The remainder of this page is intentionally left blank.)

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

LENDER:

OBERLIN CAPITAL, L.P.

By: Oberlin Capital Partners, LLC, General Partner

By: _____
Robert G. Shepley, Jr.
President of the General Partner

BORROWER:

NINE RIVERS TECHNOLOGY CORPORATION

By: _____
Mark D. Clifford, President

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

LENDER:

OBERLIN CAPITAL, L.P.

By: Oberlin Capital Partners, LLC, General Partner

By: _____
Robert G. Shapley, Jr.
President of the General Partner

BORROWER:

NINE RIVERS TECHNOLOGY CORPORATION

By: _____
Mark D. Clifford, President

EXHIBIT A

SENIOR SUBORDINATED DEBENTURE

$1,500,000

Raleigh, North Carolina
September 3, 1999

FOR VALUE RECEIVED, the undersigned, Nine Rivers Technology Corporation, a North Carolina corporation ("Maker"), promises to pay to the order of Oberlin Capital, L.P., a Delaware limited partnership ("Payee") (Payee and any subsequent holder(s) hereof are hereinafter referred to collectively as "Holder"), at the office of Holder at 702 Oberlin Road, Suite 150, Raleigh, North Carolina 27605, or at such other place as Holder may designate to Maker in writing from time to time, the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS ($1,500,000), together with interest on the outstanding principal balance hereof from the date hereof at the rate per annum (computed on the basis of a 360-day year) equal to twelve and one-half percent (12.5%).

Interest only on the outstanding principal balance hereof shall be due and payable monthly in arrears on the last day of each month, commencing on August 31, 1999 and continuing thereafter until August 31, 2004 (the "Maturity Date"), at which time the entire outstanding principal balance, together with all accrued and unpaid interest, shall be immediately due and payable in full.

Except as herein expressly provided and except subject to the terms and conditions of the Loan and Security Agreement, dated of even date herewith, by and among Maker and Payee (the "Loan Agreement"), this Debenture shall not be prepaid. The Maker shall have the right to prepay the principal amount of this Debenture in full or in part in the first year from the date hereof subject to a three percent (3%) prepayment premium on the principal amount prepaid, with no prepayment premium being in effect after such first year. After such first year, the Maker shall have the right to prepay the principal and any accrued but unpaid interest of this Debenture in full or in part without premium. Any prepayments shall be credited first to any accrued and unpaid installments of interest and then to principal.

This Debenture is issued pursuant to the Loan Agreement and is subordinated to certain other indebtedness of Maker to the extent and with the effect set forth in the Loan Agreement. Terms used herein and not herein defined shall have the meanings given them in the Loan Agreement.

Time is of the essence with this Debenture. It is hereby expressly agreed that in the event that any Event of Default shall occur under the Loan Agreement which is not cured within any applicable cure period set forth in the Loan Agreement; then, and in such event, the entire outstanding principal balance of the indebtedness evidenced hereby, together with any other sums advanced hereunder, under the Loan Agreement and/or under any other instrument or document now or hereafter evidencing, securing or in any way relating to the indebtedness evidenced

hereby, together with all unpaid interest accrued thereon, shall, at the option of Holder and without notice to Maker, at once become due and payable and may be collected forthwith, regardless of the stipulated date of maturity. Upon the occurrence of any Event of Default as set forth in the Loan Agreement, at the option of Holder and without notice to Maker, all accrued and unpaid interest, if any, shall be added to the outstanding principal balance hereof, and the entire outstanding principal balance, as so adjusted, shall bear interest thereafter until such default is cured at an annual rate (the "Default Rate") equal to eighteen percent (18%) or, if lower, the maximum rate of interest permissible under applicable law (the "Maximum Rate"). All such interest shall be paid at the time of and as a condition precedent to the curing of any such Event of Default.

In the event this Debenture is placed in the hands of an attorney for collection or for enforcement or protection of the Collateral, or if Holder incurs any costs incident to the collection of the indebtedness evidenced hereby or the enforcement or protection of the Collateral, Maker and any endorsers hereof agree to pay to Holder an amount equal to all such costs, including without limitation all reasonable attorneys' fees and all court costs, not to exceed fifteen percent (15%) of the then-outstanding principal balance of this Debenture.

Presentment for payment, demand, protest and notice of demand, protest and nonpayment are hereby waived by Maker and all other parties hereto. No failure to accelerate the indebtedness evidenced hereby by reason of default hereunder or acceptance of a past-due installment or other indulgences granted from time to time, shall be construed as a novation of this Debenture or as a waiver of such right of acceleration or of the right of Holder thereafter to insist upon strict compliance with the terms of this Debenture or to prevent the exercise of such right of acceleration or any other right granted hereunder or by applicable laws. No extension of the time for payment of the indebtedness evidenced hereby or any installment due hereunder, made by agreement with any person now or hereafter liable for payment of the indebtedness evidenced hereby, shall operate to release, discharge, modify, change or affect the original liability of Maker hereunder or that of any other person now or hereafter liable for payment of the indebtedness evidenced hereby, either in whole or in part, unless Holder agrees otherwise in writing. This Debenture may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, chance, modification or discharge is sought.

The indebtedness and other obligations evidenced by this Debenture are further evidenced and/or secured by (a) the Loan Agreement, and (b) certain other instruments and documents, as may be required to protect and preserve the rights of Maker and Holder as more specifically described in the Loan Agreement.

All agreements herein made are expressly limited so that in no event whatsoever, whether by reason of advancement of proceeds hereof, acceleration of maturity unpaid balance hereof or otherwise, shall the amount paid or agreed to be paid to Holder for the use of the money advanced or to be advanced hereunder exceed the Maximum Rate. If, from any circumstances whatsoever, the fulfillment of any provision of this Debenture or any other agreement or instrument now or hereafter evidencing, securing or in any way relating to the indebtedness evidenced hereby shall involve the payment of interest in excess of the Maximum Rate, then,

ipso facto, the obligation to pay interest hereunder shall be reduced to the Maximum Rate; and if from any circumstance whatsoever, Holder shall ever receive interest, the amount of which would exceed the list collectible at the Maximum Rate, such amount as would be excessive interest shall be applied to the reduction of the principal balance remaining unpaid hereunder and not to the payment of interest. This provision shall control every other provision in any and all other agreements and instruments existing or hereafter arising between Maker and Holder with respect to the payment of interest on the indebtedness evidenced hereby.

Notwithstanding the place of making of this Debenture, the parties agree that this Debenture is intended as a contract under and shall be construed and enforceable in accordance with the laws of the State of North Carolina, except to the extent that federal law may be applicable to the determination of the Maximum Rate.

As used herein, the terms "Maker" and "Holder" shall be deemed to include their respective successors, legal representatives and assigns, whether by voluntary action of the parties or by operation of law.

MAKER:

NINE RIVERS TECHNOLOGY CORPORATION

By: _____
Name: _____
Title: _____

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EXHIBIT B

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAW, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED UNTIL (i) A REGISTRATION STATEMENT UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (ii) IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER.

STOCK PURCHASE WARRANT

NINE RIVERS TECHNOLOGY CORPORATION, a North Carolina corporation (the "Company") issues this WARRANT as of the 3rd day of September, 1999 (the "Date of Issuance"), to OBERLIN CAPITAL, L.P., a Delaware limited partnership (the "Holder").

1. Issuance of Warrant, Term.

(a) For and in consideration of the Holder making a loan to the Company in the aggregate principal amount of $1,500,000 (the "Loan") pursuant to the terms of a certain Loan and Security Agreement by and between the Company and the Holder, dated as of the Date of Issuance (the "Loan Agreement") and evidenced by a Senior Subordinated Debenture dated as of the Date of Issuance (the "Debenture"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby grants to the Holder the right to purchase at the Exercise Price (as hereinafter defined) shares of the Company's Class A Common Stock (the "Common Stock") as set forth herein, all subject to adjustment and upon the terms and conditions contained herein, together with the other appurtenant rights, powers and privileges hereinafter described, as follows: on or at any time after the Date of Issuance up to and including the sixth (6th) anniversary of the Date of Issuance, the Holder may exercise this warrant (the "Warrant" or "Warrants") at the Exercise Price and acquire a number of shares of Common Stock of the Company such that immediately after the exercise in full of the Warrant the Holder would own 3.1% (the "Warrant Percentage") of the shares of Common Stock of the Company, calculated on a fully diluted basis as of the close of business on the earlier of (i) the Share Lock-in Date (as defined below); or (ii) the date of the initial exercise of this Warrant; provided however, if the Company does not close an Equity Financing (as defined below) or a series of Equity Financings within the six (6) months immediately after the date hereof, then the "Warrant Percentage" will be automatically adjusted to equal 3.57% of the shares of the Company, calculated as provided above.

(b) For the purposes of this Warrant, "fully diluted basis" means, as of any date of determination, the shares of Common Stock outstanding on such date, together with all shares of Common Stock that would be outstanding on such date assuming the issuance of all shares of Common Stock issuable upon the exercise, exchange or conversion of: (i) any securities outstanding as of such date and convertible into or exchangeable for Common Stock (whether or not the rights to exchange or convert thereunder are immediately exercisable) (such convertible or exchangeable securities being herein called "Convertible Securities"); and (ii) any contractual or other rights outstanding as of such date to subscribe for or to purchase, or any warrants or options outstanding for the purchase of, Common Stock or Convertible Securities (whether or not immediately exercisable) (such rights, warrants or options being herein called "Option Securities"). The Company represents and warrants that, as of immediately prior to the issuance of this Warrant and any other warrant to purchase shares of Common Stock issued to the Holder hereof as of the date hereof, there are 1,000,000 issued and outstanding shares of the Company's Common Stock, calculated on a fully diluted basis, and unissued options to acquire 91,225 shares of Class B Common Stock.

(c) For the purposes of this Warrant, the term "Share Lock-in Date" means the date of the closing of an Equity Financing; provided, however, that if the Company does not close an Equity Financing or a series of Equity Financings within the six (6) months immediately after the date hereof and the "Warrant Percentage" is automatically adjusted to equal 3.57% of the shares of the Company, then the "Share Lock-in Date" means the close of business on the date of such automatic adjustment.

(d) For the purposes of this Warrant, the term "Equity Financing" means the closing of the offering and sale by the Company of Common Stock or preferred stock of the Company with gross proceeds to the Company of at least $1,000,000.

2. Exercise Price. The exercise price per share for which all or any of the shares of Common Stock of the Company (collectively, the "Warrant Shares") may be purchased pursuant to the terms of this Warrant shall be $0.01 (the "Exercise Price"), provided that in no event shall the aggregate exercise price for all Warrant Shares issuable hereunder exceed $100.00.

3. Exercise. This Warrant may be exercised by the Holder hereof on a cashless (net) basis or on a cash basis (but only on the conditions hereinafter set forth) as to all or any increment or increments of the Warrant Shares upon delivery of written notice of intent to exercise to the Company at the Company's address set forth below its signature below or such other address as the Company shall designate in a written notice to the Holder hereof, together with this Warrant and cash or check payable to the Company for the aggregate Exercise Price of the Warrant Shares so purchased (the "Purchase Price"), except as provided in the following sentence. The Holder may, at its option, elect to pay some or all of the Purchase Price payable upon an exercise of this Warrant by canceling a portion of this Warrant exercisable for such number of the Warrant Shares as is determined by dividing (i) the total Purchase Price payable in respect of the number of Warrant Shares being purchased upon such exercise by (ii) the excess of the Fair Market Value (as defined below) per share of Common Stock as of the date of exercise over the Purchase Price per share. Upon exercise of this Warrant, the Company shall as promptly

as practicable, and in any event within fifteen (15) days thereafter, execute and deliver to the Holder of this Warrant a certificate or certificates for the total number of Warrant Shares for which this Warrant is being exercised in such names and denominations as are requested by such Holder. If this Warrant shall be exercised with respect to less than all of the Warrant Shares, the Holder shall be entitled to receive a new Warrant covering the number of Warrant Shares in respect of which this Warrant shall not have been exercised. The Company covenants and agrees that it will pay when due any and all state and federal issue taxes which may be payable in respect of the issuance of this Warrant or the issuance of any Warrant Shares upon exercise of this Warrant.

4. Covenants and Conditions. The above provisions are subject to the following:

(a) Neither this Warrant nor the Warrant Shares have been registered under the Securities Act or any state securities laws ("Blue Sky Laws"). This Warrant has been acquired for investment purposes and not with a view to distribution or resale and may not be pledged, hypothecated, sold, made subject to a security interest, or otherwise transferred without (i) an effective registration statement for such Warrant under the Securities Act and such applicable Blue Sky Laws, or (ii) an opinion of counsel reasonably satisfactory to the Company that registration is not required under the Securities Act or under any applicable Blue Sky Laws. Transfer of the Warrant Shares issued upon the exercise of this Warrant shall be restricted in the same manner and to the same extent as the Warrant and the certificates representing such Warrant Shares shall bear substantially the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED UNTIL (i) A REGISTRATION STATEMENT UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (ii) IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY, REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER.
>
> THE SHARES SUBJECT TO THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER PURSUANT TO THE TERMS OF THAT STOCK PURCHASE WARRANT DATED AS OF SEPTEMBER 3, 1999, AND ISSUED BY THE COMPANY. COPIES OF THE STOCK PURCHASE WARRANT MAY BE OBTAINED FROM THE COMPANY'S SECRETARY.

(b) The Company covenants and agrees that all Warrant Shares that may be issued upon exercise of this Warrant will, upon issuance and payment therefor, be legally and validly issued and outstanding, fully paid and nonassessable. The Company shall at

all times reserve and keep available for issuance upon the exercise of this Warrant such number of authorized but unissued shares of Common Stock as will be sufficient to permit the exercise in full of this Warrant.

(c) The Holder hereof and the Company agree to execute such other documents and instruments as counsel for the Company reasonably deems necessary to effect the compliance of the issuance of this Warrant and any Warrant Shares issued upon exercise of this Warrant with applicable federal and state securities laws. In furtherance of the foregoing, the Holder represents and warrants:

(i) The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that the Holder is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests;

(ii) The Holder is acquiring this Warrant, and will acquire the Warrant Shares, for investment for its own account and not with a view to, or for resale in connection with, any distribution thereof. The Holder understands that this Warrant has not been, and the Warrant Shares will not be, registered under the Securities Act or any Blue Sky Laws by reason of exemptions from the registration provisions of the Securities Act and such Blue Sky Laws that depend upon, among other things, the bona fide nature of the investment intent and the accuracy of the Holder's representations;

(iii) The Holder is familiar with the provisions of Rule 144 under the Act which permits the limited resale of restricted securities, subject to the satisfaction of certain conditions;

(iv) The Holder has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management and the opportunity to review the Company's facilities. The Holder has also had an opportunity to ask questions of officers of the Company, which were answered to its satisfaction; and

(v) The Holder is an "accredited investor" as that term is defined in Rule 501 (a) of Regulation D under the Act.

5. Transfer of Warrant. Subject to the provisions of Paragraph 4 and with the prior written consent of the Company, such consent not to be unreasonably withheld, this Warrant or the Warrant Shares may be transferred, in whole or, subject to the provisions of this Paragraph 5, in part, to any person or business entity, by presentation of the Warrant or the Warrant Shares to the Company with written instructions for such transfer; provided that (i) this Warrant or the Warrant Shares may be transferred in part in connection with any distribution of this Warrant or the Warrant Shares to the partners of the Holder; (ii) this Warrant or the Warrant Shares may be transferred in part by the Holder to an aggregate of not more than five (5) entities or individuals; and (iii) the Company shall have the right to refuse to transfer any portion of this Warrant to any

person who directly competes with the Company or is affiliated with any such competitor. Subject to the foregoing, this Warrant or the Warrant Shares may be transferred, at the Holder's option, to one or more persons so long as such transferees, (i) agree to hold this Warrant or the Warrant Shares subject to all the terms and conditions hereof, and (ii) shall appoint the Holder as the sole agent for exercising the rights of such transferees hereunder. Upon such presentation for transfer, the Company shall promptly execute and deliver a new Warrant or Warrants in the form hereof in the name of the assignee or assignees and in the denominations specified in such instructions. The Company shall pay all expenses in connection with the preparation, issuance and delivery of Warrants under this Paragraph 5.

6. Antidilution; Adjustment.

(a) In the event that the Share Lock-in Date shall occur at any time prior to the exercise of this Warrant, the number of Warrant Shares purchasable hereunder are subject to adjustment from time to time, as follows:

(i) If the Company at any time after the Share Lock-in Date subdivides its Common Stock, the number of Warrant Shares issuable pursuant to this Warrant will be proportionately increased. If the Company at any time after the Share Lock-in Date combines its Common Stock, the number of Warrant Shares issuable pursuant to this Warrant will be proportionately decreased.

(ii) If the Company at any time after the Share Lock-in Date will pay a dividend payable in, or make any other distribution (except any distribution specifically provided for in the foregoing subsections (i)) of Common Stock, then the number of Warrant Shares issuable pursuant to this Warrant will be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution of stock to that number of Warrant Shares determined by multiplying the number of Warrant Shares issuable immediately prior to such date of determination by a fraction (i) the numerator of which will be the total number of shares of Common Stock outstanding immediately after such dividend or distribution, calculated on a fully diluted basis as provided in Section 1(b) of this Warrant, and (ii) the denominator of which will be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution, calculated on a fully diluted basis as provided in Section 1(b) of this Warrant.

(iii) The number of shares reserved for issuance pursuant to this Warrant will automatically be adjusted without further action by the Company in the event of any adjustment of the number of Warrant Shares issuable pursuant to this Warrant.

(b) In the event of a merger, consolidation, recapitalization, combination or exchange of Common Stock occurring after the Share Lock-in Date pursuant to which the Company is not the surviving entity (an "Acquisition"), the Company covenants that it will obtain from the acquiring entity, as a condition to the closing of such transaction or event, the right for the Holder to exchange this Warrant, at its sole option and in lieu of

exercise hereof, for a warrant to purchase the equivalent number of shares of the equivalent class of shares of the acquiring entity on a fully diluted basis. The period of exercise of such new warrant shall be equal to the remaining duration of the exercise period of this Warrant. If, as a result of such Acquisition, the shareholders of the Company immediately prior to such Acquisition own at least a majority of the shares of voting capital stock, assuming full exercise or conversion of all securities exercisable for or convertible into such voting capital stock of the Company, outstanding after such Acquisition and are entitled upon liquidation to receive a majority of the assets of the surviving entity, then the method of calculating the number of Warrant Shares set forth in Paragraph 1 hereof shall remain unaffected; otherwise, this Warrant shall, after such Acquisition, permit the Holder to purchase that percentage of Warrant Shares or other consideration of the acquiring entity which the Holder would be entitled to receive as a result of such merger, consolidation, recapitalization, combination or exchange of shares if this Warrant had been exercised in full immediately prior to such merger, consolidation, recapitalization, combination or exchange of shares (or the record date, if any, for such transaction or event) for the same aggregate exercise price as provided for in this Warrant.

(c) If the Company shall issue or sell any shares of Common Stock (or securities exercisable for or convertible into shares of Common Stock (other than pursuant to the Company's stock option plan(s), this Warrant or any warrants issued to the Holder hereof, any Acquisition, warrants issued to the Company's corporate partners that are not affiliates of the Company or other issuances or sales of up to 100,000 shares of the Company's Common Stock) after the Date of Issuance for no consideration or for a consideration per share less than the Fair Market Value (as defined below), then in such event the number of Warrant Shares issuable pursuant to this Warrant will be adjusted, from and after the date of such issuance, to that number of Warrant Shares determined by multiplying (i) the number of Warrant Shares issuable pursuant to this Warrant immediately prior to such issuance or sale, by a fraction (ii) (x) the numerator of which shall be the total number of shares of Common Stock outstanding, calculated on a fully diluted basis as provided in Section 1(b), immediately prior to such issuance or sale, plus the number of shares of Common Stock so issued or sold, and (y) the denominator of which shall be the total number of shares of Common Stock outstanding, calculated on a fully diluted basis as provided in Section 1(b), immediately prior to such issuance or sale, plus the number of shares of Common Stock that the net aggregate consideration received by the Company for the total number of such additional shares of the Common Stock so issued or sold would purchase at the Fair Market Value.

7. Put Rights.

(a) The Company hereby irrevocably grants and issues to the Holder the right and option to sell to the Company (the "Put") this Warrant, and any Warrant Shares acquired by the Holder as a result of the exercise of this Warrant, at any time after September 3, 2004 (or such earlier date when the Debenture issued pursuant to the Loan Agreement has been paid in full, if then permitted by applicable regulations of the SBA) at a purchase price (the "Put Purchase Price") equal to the Fair Market Value (as

hereinafter defined) of the shares of the Common Stock (calculated as of the date of the Holder's written notice of its intention to exercise the Put pursuant to Paragraph 7(b) of this Agreement) subject to this Warrant plus any Warrant Shares acquired by the Holder as a result of the Holder's exercise of this Warrant.

(b) The Company shall pay to the Holder, in cash or official or cashier's check, the Put Purchase Price in exchange for the delivery to the Company of this Warrant (or any Warrant Shares acquired by the Holder as a result of the exercise of this Warrant) within thirty (30) days of the final determination of Fair Market Value in accordance with Paragraph 7(c), addressed as set forth in Paragraph 9 hereof, from the Holder of its intention to exercise the Put.

(c) For purposes of this Warrant, "Fair Market Value" shall mean, with respect to each share of Common Stock as of a particular date, the price determined in good faith by the Company's Board of Directors. Upon each such determination, the Company shall promptly give notice thereof to the Holder, setting forth in reasonable detail the calculation of such Fair Market Value and the method and basis of determination thereof (the "Company Determination"). If the Holder shall disagree with the Company Determination and shall, by notice to the Company given within thirty (30) days after the Company's notice of the Company Determination, elect to dispute the Company Determination, the Fair Market Value shall then be determined as follows:

(i) The Company and the Holder shall each appoint an independent, experienced appraiser. Upon the request of any appraiser appointed pursuant to this Paragraph 7, the Company will provide the appraisers with access to all information, documents and records necessary for the appraisers to conduct the appraisal(s) contemplated by this Paragraph 7. The two appraisers shall determine the Fair Market Value of the Common Stock which would be issued upon the exercise of the Warrant, assuming that the sale would be between a willing buyer and a willing seller, both of whom have full knowledge of the financial and other affairs of the Company, and neither of whom is under any compulsion to sell or to buy.

(ii) If the higher of the two appraisals is not more than ten percent (10%) more than the lower of the appraisals, the Fair Market Value shall be the average of the two appraisals. If the higher of the two appraisals is ten percent (10%) or more than the lower of the two appraisals, then a third appraiser shall be appointed by the two appraisers, and if they cannot agree on a third appraiser, the American Arbitration Association shall appoint the third appraiser. The third appraiser, regardless of who appoints him or her, shall be a member of the American Arbitration Association.

(iii) The Fair Market Value after the appointment of the third appraiser shall be the mean of the three appraisals.

(iv) The fees and expenses of the appraisers shall be paid by the Company if the Company Determination is more than five percent (5%) less than the final Fair Market Value Determination; otherwise such fees and expenses shall be paid by the Holder.

(e) In determining Fair Market Value pursuant hereto, neither the Board of Directors of the Company nor any appraiser shall take into account or otherwise make any discount in respect of (i) any restrictions on the transfer of shares of Common Stock of the Company or this Warrant, (ii) any minority interest, (iii) any lack of liquidity of shares of Common Stock of the Company or this Warrant due to the fact that there may be no public or private market for such shares or this Warrant, or (iv) the voting status of this Warrant or any share of Common Stock of the Company, whether under the Articles of Incorporation or Bylaws of the Company, by agreement or otherwise. In determining the Fair Market Value of the Common Stock as of a particular date, the Company's Board of Directors (or the appraisers, as the case may be) shall appraise the value of the Company as of such date and the Fair Market Value of each share shall be the Fair Market Value of the Company divided by the number of shares of Common Stock of the Company on a fully diluted basis as of such date, taking into account only "in the money" options, warrants and convertible securities and adding to Fair Market Value the exercise price and conversion price of such in the money options, warrants and convertible securities.

(f) All put rights hereunder shall terminate upon the consummation of a firm commitment underwritten public offering on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market pursuant to a registration statement under the Securities Act of 1933, as amended, which results in aggregate cash proceeds to the Company of at least $15,000,000 (net of underwriting discounts and commissions).

8. Registration. The Company acknowledges and agrees that, with respect to the Warrant Shares, the Holder will have the registration rights provided in that certain Registration Rights Agreement, dated as of September 3, 1999, by and between the Company and the Holder hereof (the "Registration Rights Agreement"). After the date of this Warrant, the Company will not grant to any holder of securities of the Company any registration rights which have a priority greater than those granted to the Holder pursuant to the Registration Rights Agreement without the prior written consent of the Holder.

9. Covenants of the Company. As long as this Warrant is outstanding, the Company covenants and agrees with the Holder as follows:

(a) The Company will furnish to the Holder (i) within one hundred twenty (120) days after the end of each fiscal year of the Company, an audited consolidated balance sheet of the Company as of the close of such fiscal year, an audited consolidated income statement of the Company for such fiscal year, and audited consolidated statements of cash flows for the Company for such fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles, consistently applied, and in such form as has customarily been prepared by the Company; (ii) within

thirty (30) days of the end of each calendar month, consolidated balance sheets of the Company as of the close of such month and a consolidated income statement of the Company for such month, all in reasonable detail, and prepared on the basis of accounting principles consistently applied; and (iii) with reasonable promptness, such other financial data as the Holder may reasonably request from time to time.

(b) The Company shall maintain its books, accounts and records on the basis of accounting principles consistently applied, and permit a representative of the Holder, at the Holder's expense and upon two (2) days' prior written notice, to visit and inspect any of its properties, corporate books and financial records, and to discuss its accounts, affairs and finances with the Company or the principal officers of the Company during business hours, and without interruption of the Company's business, all at such times as the Holder may reasonably request.

(c) The Company will furnish or cause to be furnished to the U.S. Small Business Administration (the "SBA") information required by the SBA concerning the economic impact of the Holder's investment (including any loans previously advanced to the Company by the Holder), including but not limited to information concerning federal, state, and local income taxes paid, number of employees, gross revenues, source of revenue growth, after tax profit or loss, and federal, state and employee income tax withholding. The Company will furnish annually all information required on the appropriate SBA forms. The Company will also furnish or cause to be furnished to the SBA such other information regarding the business, affairs and condition of the Company as the SBA may from time to time reasonably request. The Company will permit SBA examiners to inspect the books and any of the properties or assets of the Company and its subsidiaries and to discuss the Company's business with senior management employees at such reasonable times as the SBA may from time to time request.

(d) The Company agrees to take all actions necessary to appoint one (1) designee of the Holder to serve on the Company's Board of Directors. Such designee will serve as a director of the Company until such time as the Company receives an equity investment by a venture capital or institutional investor of at least $1,000,000, at which time one representative designated by the Holder will have the right to attend, at the Company's expense, all meetings of the Company's Board of Directors and all committees of the Company's Board of Directors and participate in a nonvoting capacity and, in this respect, the Company will give the designated representative copies of all notices, written consents and other materials provided to directors in preparation for or as part of such meetings or otherwise at such times as such notices, written consents and materials are provided to the Board of Directors.

(e) The Company will not, without the prior written consent of the Holder, enter into any agreement, or amend any existing agreement or its Articles of Incorporation or Bylaws, that would prohibit or restrict the Company from performing its obligations under this Warrant, or otherwise avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant, and the Company will

at all times in good faith assist in the carrying out of all of the provisions of this Warrant and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder against impairment.

10. Notices. Any and all notices, elections or demands permitted or required to be made under this Agreement shall be in writing, signed by the party giving such notice, election or demand and shall be delivered personally, telecopied, or sent by certified mail or nationally recognized courier service (such as Federal Express), to the other party at the address set forth below, or at such other address as may be supplied in writing and of which receipt has been acknowledged in writing. The date of personal delivery or telecopy or one business day after delivery to such courier service or two business days after mailing, as the case may be, shall be the date of such notice, election or demand. For the purposes of this Agreement:

The address of Holder is:	Oberlin Capital, L.P. 702 Oberlin Road Suite 150 Raleigh, North Carolina 27605 Attention: Robert G. Shepley
with a copy (which shall not constitute notice) to:	Kilpatrick Stockton LLP 3737 Glenwood Avenue Suite 400 Raleigh, North Carolina 27612 Attention: James F. Verdonik
The address of the Company is:	Nine Rivers Technology Corporation 701 Corporate Center Drive, Suite 125 Raleigh, North Carolina 27607 Attention: Mark D. Clifford, President
with a copy (which shall not constitute notice) to:	Hutchison & Mason PLLC 3110 Edwards Mill Road, Suite 100 Raleigh, North Carolina 27612 Attention: Merrill M. Mason

11. Amendment and Waiver. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited. or omit to perform any act herein required to be performed by it, only if the Company has obtained the prior written consent of the Holder.

12. Descriptive Headings; Governing Law. The descriptive headings of the several paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this

Warrant. **ALL QUESTIONS CONCERNING THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF NORTH CAROLINA WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISIONS OR RULE (WHETHER OF THE STATE OF NORTH CAROLINA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NORTH CAROLINA.**

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IN WITNESS WHEREOF, the parties hereto have set their hands as of the date first above written.

"COMPANY":

NINE RIVERS TECHNOLOGY CORPORATION

By: _____
Mark D. Clifford, President

Address: 701 Corporate Center Drive, St. 125
Raleigh, North Carolina 27607

"HOLDER":

OBERLIN CAPITAL, L.P.

By: _____
Name: _____
Title: _____

Address: 702 Oberlin Road, Suite 150
Raleigh, North Carolina 27605

RALLIB01:509606.06

EXHIBIT C

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAW, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED UNTIL (i) A REGISTRATION STATEMENT UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (ii) IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER.

STOCK PURCHASE WARRANT

NINE RIVERS TECHNOLOGY CORPORATION, a North Carolina corporation (the "Company") issues this WARRANT as of the 3rd day of September, 1999 (the "Date of Issuance"), to OBERLIN CAPITAL, L.P., a Delaware limited partnership (the "Holder").

1. Issuance of Warrant, Term. For and in consideration of the Holder making a loan to the Company in the aggregate principal amount of $1,500,000 (the "Loan") pursuant to the terms of a certain Loan and Security Agreement by and between the Company and the Holder, dated as of the Date of Issuance (the "Loan Agreement") and evidenced by a Senior Subordinated Debenture dated as of the Date of Issuance (the "Debenture"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby grants to the Holder the right to purchase at the Exercise Price (as hereinafter defined) shares of the Company's Class A Common Stock (the "Common Stock") as set forth herein, all subject to adjustment and upon the terms and conditions contained herein, together with the other appurtenant rights, powers and privileges hereinafter described, as follows: on or at any time after the Date of Issuance up to and including the sixth (6th) anniversary of the Date of Issuance, the Holder may exercise this warrant (the "Warrant" or "Warrants") at the Exercise Price and acquire Fifteen Thousand (15,000) shares of Common Stock of the Company.

2. Exercise Price. The exercise price per share for which all or any of the shares of Common Stock of the Company (collectively, the "Warrant Shares") may be purchased pursuant to the terms of this Warrant shall be Forty Dollars ($40.00) (the "Exercise Price").

3. Exercise. This Warrant may be exercised by the Holder hereof on a cashless (net) basis or on a cash basis (but only on the conditions hereinafter set forth) as to all or any increment or increments of the Warrant Shares upon delivery of written notice of intent to exercise to the Company at the Company's address set forth below its signature below or such other address as the Company shall designate in a written notice to the Holder hereof, together with this Warrant and cash or check payable to the Company for the aggregate Exercise Price of the Warrant Shares so purchased (the "Purchase Price"), except as provided in the following sentence. The Holder may, at its option, elect to pay some or all of the Purchase Price payable

upon an exercise of this Warrant by canceling a portion of this Warrant exercisable for such number of the Warrant Shares as is determined by dividing (i) the total Purchase Price payable in respect of the number of Warrant Shares being purchased upon such exercise by (ii) the excess of the Fair Market Value (as defined below) per share of Common Stock as of the date of exercise over the Purchase Price per share. Upon exercise of this Warrant, the Company shall as promptly as practicable, and in any event within fifteen (15) days thereafter, execute and deliver to the Holder of this Warrant a certificate or certificates for the total number of Warrant Shares for which this Warrant is being exercised in such names and denominations as are requested by such Holder. If this Warrant shall be exercised with respect to less than all of the Warrant Shares, the Holder shall be entitled to receive a new Warrant covering the number of Warrant Shares in respect of which this Warrant shall not have been exercised. The Company covenants and agrees that it will pay when due any and all state and federal issue taxes which may be payable in respect of the issuance of this Warrant or the issuance of any Warrant Shares upon exercise of this Warrant.

4. Covenants and Conditions. The above provisions are subject to the following:

(a) Neither this Warrant nor the Warrant Shares have been registered under the Securities Act or any state securities laws ("Blue Sky Laws"). This Warrant has been acquired for investment purposes and not with a view to distribution or resale and may not be pledged, hypothecated, sold, made subject to a security interest, or otherwise transferred without (i) an effective registration statement for such Warrant under the Securities Act and such applicable Blue Sky Laws, or (ii) an opinion of counsel reasonably satisfactory to the Company that registration is not required under the Securities Act or under any applicable Blue Sky Laws. Transfer of the Warrant Shares issued upon the exercise of this Warrant shall be restricted in the same manner and to the same extent as the Warrant and the certificates representing such Warrant Shares shall bear substantially the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED UNTIL (i) A REGISTRATION STATEMENT UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (ii) IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY, REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER.
>
> THE SHARES SUBJECT TO THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER PURSUANT TO THE TERMS OF THAT STOCK PURCHASE WARRANT DATED AS OF SEPTEMBER 3, 1999, AND ISSUED BY THE COMPANY. COPIES OF THE STOCK

PURCHASE WARRANT MAY BE OBTAINED FROM THE COMPANY'S SECRETARY.

(b) The Company covenants and agrees that all Warrant Shares that may be issued upon exercise of this Warrant will, upon issuance and payment therefor, be legally and validly issued and outstanding, fully paid and nonassessable. The Company shall at all times reserve and keep available for issuance upon the exercise of this Warrant such number of authorized but unissued shares of Common Stock as will be sufficient to permit the exercise in full of this Warrant.

(c) The Holder hereof and the Company agree to execute such other documents and instruments as counsel for the Company reasonably deems necessary to effect the compliance of the issuance of this Warrant and any Warrant Shares issued upon exercise of this Warrant with applicable federal and state securities laws. In furtherance of the foregoing, the Holder represents and warrants:

(i) The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that the Holder is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests;

(ii) The Holder is acquiring this Warrant, and will acquire the Warrant Shares, for investment for its own account and not with a view to, or for resale in connection with, any distribution thereof. The Holder understands that this Warrant has not been, and the Warrant Shares will not be, registered under the Securities Act or any Blue Sky Laws by reason of exemptions from the registration provisions of the Securities Act and such Blue Sky Laws that depend upon, among other things, the bona fide nature of the investment intent and the accuracy of the Holder's representations;

(iii) The Holder is familiar with the provisions of Rule 144 under the Act which permits the limited resale of restricted securities, subject to the satisfaction of certain conditions;

(iv) The Holder has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management and the opportunity to review the Company's facilities. The Holder has also had an opportunity to ask questions of officers of the Company, which were answered to its satisfaction; and

(v) The Holder is an "accredited investor" as that term is defined in Rule 501 (a) of Regulation D under the Act.

5. Transfer of Warrant. Subject to the provisions of Paragraph 4 and with the prior written consent of the Company, such consent not to be unreasonably withheld, this Warrant or the Warrant Shares may be transferred, in whole or, subject to the provisions of this Paragraph 5,

in part, to any person or business entity, by presentation of the Warrant or the Warrant Shares to the Company with written instructions for such transfer; provided that (i) this Warrant or the Warrant Shares may be transferred in part in connection with any distribution of this Warrant or the Warrant Shares to the partners of the Holder; and (ii) the Company shall have the right to refuse to transfer any portion of this Warrant to any person who directly competes with the Company or is affiliated with any such competitor. Subject to the foregoing, this Warrant or the Warrant Shares may be transferred, at the Holder's option, to one or more persons so long as such transferees, (i) agree to hold this Warrant or the Warrant Shares subject to all the terms and conditions hereof, and (ii) shall appoint the Holder as the sole agent for exercising the rights of such transferees hereunder. Upon such presentation for transfer, the Company shall promptly execute and deliver a new Warrant or Warrants in the form hereof in the name of the assignee or assignees and in the denominations specified in such instructions. The Company shall pay all expenses in connection with the preparation, issuance and delivery of Warrants under this Paragraph 5.

6. Antidilution; Adjustment.

(a) The number of Warrant Shares purchasable hereunder are subject to adjustment from time to time, as follows:

(i) If the Company at any time subdivides its Common Stock, the number of Warrant Shares issuable pursuant to this Warrant will be proportionately increased. If the Company at any time combines its Common Stock, the number of Warrant Shares issuable pursuant to this Warrant will be proportionately decreased.

(ii) If the Company pays a dividend payable in, or makes any other distribution (except any distribution specifically provided for in the foregoing subsection (i)) of Common Stock, then the number of Warrant Shares issuable pursuant to this Warrant will be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution of stockholders to that number of Warrant Shares determined by multiplying the number of Warrant Shares issuable immediately prior to such date of determination by a fraction (i) the numerator of which will be the total number of shares of Common Stock outstanding immediately after such dividend or distribution, and (ii) the denominator of which will be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution.

(iii) The number of shares reserved for issuance pursuant to this Warrant will automatically be adjusted without further action by the Company in the event of any adjustment of the number of Warrant Shares issuable pursuant to this Warrant.

(b) In the event of a merger, consolidation, recapitalization, combination or exchange of Common Stock occurring after the date hereof pursuant to which the Company is not the surviving entity (an "Acquisition"), the Company covenants that it

will obtain from the acquiring entity, as a condition to the closing of such transaction or event, the right for the Holder to exchange this Warrant, at its sole option and in lieu of exercise hereof, for a warrant to purchase the equivalent number of shares of the equivalent class of shares of the acquiring entity. The period of exercise of such new warrant shall be equal to the remaining duration of the exercise period of this Warrant. If, as a result of such Acquisition, the shareholders of the Company immediately prior to such Acquisition own at least a majority of the shares of voting capital stock, assuming full exercise or conversion of all securities exercisable for or convertible into such voting capital stock of the Company, outstanding after such Acquisition and are entitled upon liquidation to receive a majority of the assets of the surviving entity, then the method of calculating the number of Warrant Shares set forth in Paragraph 1 hereof shall remain unaffected; otherwise, this Warrant shall, after such Acquisition, permit the Holder to purchase that number of Warrant Shares or other consideration of the acquiring entity which the Holder would be entitled to receive as a result of such merger, consolidation, recapitalization, combination or exchange of shares if this Warrant had been exercised in full immediately prior to such merger, consolidation, recapitalization, combination or exchange of shares (or the record date, if any, for such transaction or event) for the same aggregate exercise price as provided for in this Warrant.

(c) If the Company shall issue or sell any shares of Common Stock (or securities exercisable for or convertible into shares of Common Stock (other than pursuant to the Company's stock option plan(s), this Warrant or any warrants issued to the Holder hereof, any Acquisition, warrants issued to the Company's corporate partners that are not affiliates of the Company or other issuances or sales of up to 100,000 shares of the Company's Common Stock) after the Date of Issuance for no consideration or for a consideration per share less than the Fair Market Value (as defined below), then in such event the number of Warrant Shares issuable pursuant to this Warrant will be adjusted, from and after the date of such issuance, to that number of Warrant Shares determined by multiplying (i) the number of Warrant Shares issuable pursuant to this Warrant immediately prior to such issuance or sale, by a fraction (ii) (x) the numerator of which shall be the total number of shares of Common Stock outstanding, calculated on a fully diluted basis, immediately prior to such issuance or sale, plus the number of shares of Common Stock so issued or sold, and (y) the denominator of which shall be the total number of shares of Common Stock outstanding, calculated on a fully diluted basis, immediately prior to such issuance or sale, plus the number of shares of Common Stock that the net aggregate consideration received by the Company for the total number of such additional shares of the Common Stock so issued or sold would purchase at the Fair Market Value.

7. Put Rights.

(a) The Company hereby irrevocably grants and issues to the Holder the right and option to sell to the Company (the "Put") this Warrant, and any Warrant Shares acquired by the Holder as a result of the exercise of this Warrant, at any time after September 3, 2004 (or such earlier date when the Debenture issued pursuant to the Loan Agreement has been paid in full, if then permitted by applicable regulations of the SBA)

at a purchase price (the "Put Purchase Price") equal to the Fair Market Value (as hereinafter defined) of the shares of the Common Stock (calculated as of the date of the Holder's written notice of its intention to exercise the Put pursuant to Paragraph 7(b) of this Agreement) subject to this Warrant plus any Warrant Shares acquired by the Holder as a result of the Holder's exercise of this Warrant.

(b) The Company shall pay to the Holder, in cash or official or cashier's check, the Put Purchase Price in exchange for the delivery to the Company of this Warrant (or any Warrant Shares acquired by the Holder as a result of the exercise of this Warrant) within thirty (30) days of the final determination of Fair Market Value in accordance with Paragraph 7(c), addressed as set forth in Paragraph 10 hereof, from the Holder of its intention to exercise the Put.

(c) For purposes of this Warrant, "Fair Market Value" shall mean, with respect to each share of Common Stock as of a particular date, the price determined in good faith by the Company's Board of Directors. Upon each such determination, the Company shall promptly give notice thereof to the Holder, setting forth in reasonable detail the calculation of such Fair Market Value and the method and basis of determination thereof (the "Company Determination"). If the Holder shall disagree with the Company Determination and shall, by notice to the Company given within thirty (30) days after the Company's notice of the Company Determination, elect to dispute the Company Determination, the Fair Market Value shall then be determined as follows:

(i) The Company and the Holder shall each appoint an independent, experienced appraiser. Upon the request of any appraiser appointed pursuant to this Paragraph 7, the Company will provide the appraisers with access to all information, documents and records necessary for the appraisers to conduct the appraisal(s) contemplated by this Paragraph 7. The two appraisers shall determine the Fair Market Value of the Common Stock which would be issued upon the exercise of the Warrant, assuming that the sale would be between a willing buyer and a willing seller, both of whom have full knowledge of the financial and other affairs of the Company, and neither of whom is under any compulsion to sell or to buy.

(ii) If the higher of the two appraisals is not more than ten percent (10%) more than the lower of the appraisals, the Fair Market Value shall be the average of the two appraisals. If the higher of the two appraisals is ten percent (10%) or more than the lower of the two appraisals, then a third appraiser shall be appointed by the two appraisers, and if they cannot agree on a third appraiser, the American Arbitration Association shall appoint the third appraiser. The third appraiser, regardless of who appoints him or her, shall be a member of the American Arbitration Association.

(iii) The Fair Market Value after the appointment of the third appraiser shall be the mean of the three appraisals.

(iv) The fees and expenses of the appraisers shall be paid by the Company if the Company Determination is more than five percent (5%) less than the final Fair Market Value Determination; otherwise such fees and expenses shall be paid by the Holder.

(e) In determining Fair Market Value pursuant hereto, neither the Board of Directors of the Company nor any appraiser shall take into account or otherwise make any discount in respect of (i) any restrictions on the transfer of shares of Common Stock of the Company or this Warrant, (ii) any minority interest, (iii) any lack of liquidity of shares of Common Stock of the Company or this Warrant due to the fact that there may be no public or private market for such shares or this Warrant, or (iv) the voting status of this Warrant or any share of Common Stock of the Company, whether under the Articles of Incorporation or Bylaws of the Company, by agreement or otherwise. In determining the Fair Market Value of the Common Stock as of a particular date, the Company's Board of Directors (or the appraisers, as the case may be) shall appraise the value of the Company as of such date and the Fair Market Value of each share shall be the Fair Market Value of the Company divided by the number of shares of Common Stock of the Company on a fully diluted basis as of such date, taking into account only "in the money" options, warrants and convertible securities and adding to Fair Market Value the exercise price and conversion price of such in the money options, warrants and convertible securities.

(f) All put rights hereunder shall terminate upon the consummation of a firm commitment underwritten public offering on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market pursuant to a registration statement under the Securities Act of 1933, as amended, which results in aggregate cash proceeds to the Company of at least $15,000,000 (net of underwriting discounts and commissions).

8. Registration. The Company acknowledges and agrees that, with respect to the Warrant Shares, the Holder will have the registration rights provided in that certain Registration Rights Agreement, dated as of September 3, 1999, by and among the Company and certain shareholders (the "Registration Rights Agreement"). After the date of this Warrant, the Company will not grant to any holder of securities of the Company any registration rights which have a priority greater than those granted to the Holder pursuant to the Registration Rights Agreement without the prior written consent of the Holder.

9. Notices. Any and all notices, elections or demands permitted or required to be made under this Agreement shall be in writing, signed by the party giving such notice, election or demand and shall be delivered personally, telecopied, or sent by certified mail or nationally recognized courier service (such as Federal Express), to the other party at the address set forth below, or at such other address as may be supplied in writing and of which receipt has been acknowledged in writing. The date of personal delivery or telecopy or one business day after delivery to such courier service or two business days after mailing, as the case may be, shall be the date of such notice, election or demand. For the purposes of this Agreement:

The address of Holder is:	Oberlin Capital, L.P. 702 Oberlin Road Suite 150 Raleigh, North Carolina 27605 Attention: Robert G. Shepley
with a copy (which shall not constitute notice) to:	Kilpatrick Stockton LLP 3737 Glenwood Avenue Suite 400 Raleigh, North Carolina 27612 Attention: James F. Verdonik
The address of the Company is:	Nine Rivers Technology Corporation 701 Corporate Center Drive, Suite 125 Raleigh, North Carolina 27607 Attention: Mark D. Clifford, President
with a copy (which shall not constitute notice) to:	Hutchison & Mason PLLC 3110 Edwards Mill Road, Suite 100 Raleigh, North Carolina 27612 Attention: Merrill M. Mason

10. Amendment and Waiver. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited. or omit to perform any act herein required to be performed by it, only if the Company has obtained the prior written consent of the Holder.

11. Descriptive Headings; Governing Law. The descriptive headings of the several paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. **ALL QUESTIONS CONCERNING THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF NORTH CAROLINA WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISIONS OR RULE (WHETHER OF THE STATE OF NORTH CAROLINA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NORTH CAROLINA.**

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date first above written.

"COMPANY":

NINE RIVERS TECHNOLOGY CORPORATION

By: _____
Mark D. Clifford, President

Address: 701 Corporate Center Drive, St. 125
Raleigh, North Carolina

"HOLDER":

OBERLIN CAPITAL, L.P.

By: _____
Name: _____
Title: _____

Address: 702 Oberlin Road, Suite 150
Raleigh, North Carolina 27605

RALLIB01:509601.06

EXHIBIT D-1

GUARANTY

THIS GUARANTY, made as of the 3rd day of September, 1999, by and between Nine Rivers Technology (Texas) Corporation, a Texas corporation (the "Guarantor") and Oberlin Capital, L.P. (the "Beneficiary").

RECITALS:

The Guarantor desires that the Beneficiary enter into the Loan and Security Agreement, dated as of the date hereof (the "Agreement"), by and between Nine Rivers Technology Corporation, a North Carolina corporation ("Nine Rivers"), and Beneficiary, and, pursuant to the Agreement, advance to Nine Rivers an amount equal to One Million Five Hundred Thousand Dollars ($1,500,000.00) to be evidenced by a senior subordinated debenture, dated as of the date hereof, made by Nine Rivers payable to Beneficiary (the "Debenture"). The Guarantor has agreed to execute this Guaranty of all sums now or hereafter due to Beneficiary pursuant to the Agreement and the Debenture and all obligations to be performed by Nine Rivers pursuant to the terms of the Agreement and the Debenture as an inducement to the Beneficiary to enter into the Agreement (the "Obligations").

NOW, THEREFORE in consideration of the Beneficiary entering into the Agreement and performing its obligations thereunder, including, without limitation the advance to Nine Rivers of the amount evidenced by the Debenture, and other good and valuable consideration, receipt of which is hereby acknowledged, the Guarantor does hereby covenant and agree with the Beneficiary as follows:

1. The Guarantor hereby unconditionally guarantees to the Beneficiary the full and prompt payment or performance of the Obligations. The Guarantor hereby acknowledges that the Guarantor, as a wholly owned subsidiary of Nine Rivers, will substantially benefit from the Beneficiary entering into the Agreement and the transactions contemplated by the Agreement. The Guarantor will submit financial statements and copies of tax returns to the Beneficiary upon the Beneficiary's written request.

2. This Guaranty will remain in full force and effect until all of the Obligations of Nine Rivers to the Beneficiary will have been paid or provided for according to the terms of the Agreement and the Debenture, notwithstanding the termination of the Agreement.

3. This is a guaranty of payment and not of collection, and the Guarantor expressly waives any right to require that any action be brought against Nine Rivers or to require that resort be had to any security. To that end and without limiting the generality of the foregoing, the undersigned Guarantor herewith expressly waives any rights it otherwise might have had to require the Beneficiary to attempt to recover against Nine Rivers and/or to realize upon any securities or collateral security which the Beneficiary hold for the Obligations. If an Event of Default (as defined in the Agreement) exists under the Agreement, the Guarantor, upon demand

by the Beneficiary, its successors or assigns, without notice other than such demand and without the necessity of further action by the Beneficiary, or its successors or assigns, will promptly and fully make such payment as may be required pursuant to the terms and conditions of the Agreement, whether by acceleration or otherwise. The Guarantor will pay all reasonable costs and expenses, including attorneys' fees paid or incurred by the Beneficiary, its successors and assigns, in connection with the enforcement of the Obligations. All payments by the Guarantor will be paid in lawful money of the United States of America and in immediately available funds.

4. The Obligations of the Guarantor hereunder will be absolute and unconditional and will not be impaired, modified, released or limited by any occurrence or condition whatsoever, including without limitation: (a) any change in, modification or amendment of this Guaranty; (b) any acceleration, compromise, settlement, surrender, exchange, release, waiver, renewal, extension, indulgence, change in or modification of any of the Obligations under the Agreement, the Debenture or otherwise; (c) any surrender, exchange, release, change or other modification to any other security for the Obligations; (d) the assertion or exercise by Nine Rivers, its successors or assigns, or the Beneficiary, its successors or assigns, of any rights or remedies with respect to the Obligations or under this Guaranty or the delay in or failure to assert or exercise any such rights or remedies; and (e) any impairment, modification, release or limitation of the liability of Nine Rivers or any security for the Obligations or any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the Federal Bankruptcy Code or other statute or from the decision of any court.

5. The Guarantor unconditionally waives (a) notice of any of the matters referred to in Section 4 hereof and (b) any demand, except as specified in Section 3 hereof, proof or notice of nonpayment of the Obligations or of default by Nine Rivers in keeping, observing or performing any other covenant, condition or agreement required of them with respect to the Obligations.

6. No act of commission or omission of any kind or at any time upon the part of the Beneficiary or its successors or assigns in respect of any matter whatsoever will in any way affect or impair the rights of the Beneficiary or its successors or assigns to enforce any right, power or benefit of the Beneficiary under this Guaranty, and no setoff, claim, reduction or diminution of any obligation or any defense of any kind or nature which the Guarantor has or may have against Nine Rivers, the Beneficiary or its successors and assigns will be available against the Beneficiary or any such successor or assign in any suit or action brought by the Beneficiary, its successors or assigns, to enforce any right, power or benefit under this Guaranty.

7. This Guaranty will be binding upon the Guarantor, its successors and assigns, and the rights against the Guarantor arising under this Guaranty will be for the sole benefit of the Beneficiary and its successors and assigns, all of whom will be entitled to enforce the performance and observance of this Guaranty to the same extent as if they were parties hereto. The Beneficiary will be entitled to bring any suit, petition or proceeding against the Guarantor for the enforcement of any provisions of this Guaranty without exhausting any other remedies which the Beneficiary may have pursuant to the terms of the Agreement and without resort to any other security held by or available to the Beneficiary.

8. The Guaranty may be executed in one on more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Guarantor has duly executed this Guaranty and affixed their seals as of the date and year first above written.

GUARANTOR:

NINE RIVERS TECHNOLOGY (TEXAS) CORPORATION

By: _____
Name: _____
Title: _____

RALLIB01:518243.02

EXHIBIT D-2

SUBSIDIARY SECURITY AGREEMENT

THIS SUBSIDIARY SECURITY AGREEMENT ("Agreement") is made as of September 3, 1999, by and between Oberlin Capital, L.P., a North Carolina corporation ("Creditor"), and Nine Rivers Technology (Texas) Corporation, a Texas corporation ("Debtor").

WHEREAS, to secure the Secured Obligations (as defined below), Debtor has agreed to grant to the Creditor a security interest in and a lien upon the Collateral (as defined below).

NOW THEREFORE, in consideration of the foregoing recitals, the mutual promises and covenants contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Grant of Security. Debtor hereby grants to the Creditor a security interest in the Collateral described in Section 2 of this Agreement to secure the prompt payment or performance of the Secured Obligations (as defined below). The security interest created hereby shall continue in effect so long as any of the Secured Obligations remain unperformed, including, without limitation, any extensions and renewals thereof.

2. Description of Collateral. Debtor hereby agrees that the collateral for this Agreement consists of all of Debtor's right, title and interest in and to the following, whether now owned or hereafter acquired (the "Collateral"):

(a) Equipment. All machinery and equipment, all data processing and office equipment, all computer equipment, hardware and firmware, all furniture, fixtures, appliances and all other goods of every type and description, whether now owned or hereafter acquired and wherever located, together with all parts, accessories and attachments and all replacements thereof and additions thereto; and

(b) Inventory. All inventory and goods, whether held for lease, sale or furnishing under contracts of service, all agreements for lease of same and rentals therefrom, whether now in existence or owned or hereafter acquired and wherever located; and

(c) General Intangibles. All rights, interests, choses in action, causes of action, claims and all other intangible property of every kind and nature, in each instance whether now owned or hereafter acquired, including, but not limited to, all corporate and business records; all loans, royalties, and other obligations receivable; all trade secrets, inventions, designs, patents, patent applications, registered or unregistered service marks, trade names, trademarks, copyrights and the goodwill associated therewith and incorporated therein, and all registrations and applications for registration related thereto; goodwill, licenses, permits, franchises, customer lists and credit files; all customer and supplier contracts, firm sale orders, rights under license and

franchise agreements, and other contracts and contract rights; all right, title and interest under leases, subleases, licenses and concessions and other agreements relating to real or personal property and any security agreements relating thereto; all rights to indemnification; all proceeds of insurance of which Debtor is beneficiary; all letters of credit, guarantees, liens, security interests and other security held by or granted to Debtor; and all other intangible property, whether or not similar to the foregoing; all products and all books and records related to any of the foregoing; and

(d) Accounts, Chattel Paper, Instruments, Securities and Documents. All accounts, accounts receivable, chattel paper, instruments, shares of stock and other securities, and documents, whether now in existence or owned or hereafter acquired, entered into, created or arising, and wherever located; and

(e) Other Property. All property or interests in any other property now owned or hereafter acquired by Debtor.

3. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment or performance in full of the Secured Obligations, except as otherwise provided in this Section 3, (ii) be binding upon Debtor, its respective successors and assigns and (iii) inure to the benefit of the Creditor and its respective successors, transferees and assigns.

4. Secured Obligations. This Agreement is made and the security interests created hereby are granted to Creditor to secure the full and prompt payment or performance of the following (the "Secured Obligations"): (a) the obligation of Debtor pursuant to the Guaranty, dated as of the date hereof; made in favor of Creditor; (b) all reasonable costs incurred by Creditor to obtain, preserve, perfect and enforce the liens and security interests created hereby; and (c) any renewals, continuations, modifications or extensions of any of the foregoing.

5. Warranties, Representations, and Covenants of Debtor. Debtor hereby warrants, represents, and covenants that:

(a) Debtor will use the Collateral only in the ordinary course of its business and will not permit the Collateral to be used in violation of any applicable law or policy of insurance.

(b) Debtor, as agent for the Creditor, will defend the Collateral against all claims and demands of all persons and other liens permitted by the Creditor from time to time in writing.

(c) Debtor will not assign, sell, mortgage, lease, transfer, pledge, grant a security interest in or lien upon, encumber, or otherwise dispose of or abandon, nor will Debtor permit any of the same to occur with respect to any part or all of the Collateral, without the prior written consent of the Creditor.

(d) The Collateral will remain in the possession or control of Debtor respectively at all times during the term of this Agreement.

(e) At its option, the Creditor may apply any insurance monies received at any time to the cost of repairs to or replacements for the Collateral and/or to payment of any of the Secured Obligations, whether or not due, in any order the Creditor may determine, any surplus (after payment of all costs, reasonable attorneys' fees and disbursements) to be remitted to Debtor.

(f) At any time and from time to time, Debtor shall, at the request of the Creditor and at Debtor's sole cost and expense, execute and deliver to the Creditor one (1) or more financing statements pursuant to the Uniform Commercial Code ("UCC") and one (1) or more applications for certificate of title and any other papers, documents or instruments requested by the Creditor in connection with this Agreement.

6. Default. Debtor shall be in default hereunder upon the occurrence of any of the following (each an "Event of Default"):

(a) The failure of Debtor to punctually perform and observe any of the terms and conditions contained or referred to in this Agreement or pursuant to any of the Secured Obligations;

(b) Loss, theft, damage or destruction of any material portion of the Collateral for which there is no insurance coverage (for which there shall be no cure period);

(c) The making of any levy, seizure or attachment upon any material part of the Collateral (for which there shall be no cure period); notwithstanding anything to the contrary herein, Debtor, in good faith, may contest any such tax, assessment and governmental charge or levy described in this clause (c), so long as adequate reserves are maintained with respect thereto; or

(d) Dissolution, termination of existence, insolvency, business failure of Debtor, or appointment of a receiver of any part of the property of Debtor, or assignment for the benefit of Creditor by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Debtor or any guarantor or surety for Debtor, that, with respect to any appointment or involuntary proceeding, is not dismissed within sixty (60) days of such appointment or commencement.

7. Remedies Upon Default. Upon the occurrence of any Event of Default and at any time thereafter, the Creditor may declare any or all Secured Obligations of Debtor immediately due and payable and Creditor shall have the rights and remedies of a secured party under the UCC in force and effect in the State of North Carolina on the date of this Agreement.

8. No Remedy Exclusive. Upon the occurrence of an Event of Default, the Creditor may at its election proceed directly and personally against Debtor to enforce the Secured Obligations without first proceeding to realize upon the security afforded by this Agreement or any other collateral held by any Creditor to secure the Secured Obligations, as the Creditor may deem in its best interest. The exercise of any one right or remedy shall not be deemed a waiver or release of or any election against any other right or remedy, and the Creditor may proceed against the Collateral and any other collateral granted to the Creditor under any other agreement, all in any order and through any available remedies.

9. Security Interest Absolute. All rights of the Creditor and the security interest granted hereunder, and all obligations of Debtor hereunder, shall be absolute and unconditional, irrespective of (i) any lack of validity or enforceability of any agreement or instrument evidencing or securing the Secured Obligations or any other agreement or instrument relating thereto; (ii) any change in the time, manner or place of payment of, or any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any provision of any agreement or instrument evidencing or securing the Secured Obligations; (iii) any exchange, release or non-perfection of any other collateral given as security for the Secured Obligations, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations; or (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Debtor or any third party, other than payment and performance in full of the Secured Obligations.

10. Reimbursement of Creditor. Debtor agrees at all times to pay promptly to and reimburse the Creditor for all reasonable costs and expenses of the Creditor (including, without limitation, reasonable attorneys' fees) incurred by the Creditor in connection with the preservation and enforcement of the Creditor' rights under this Agreement.

11. No Waiver. No failure on the part of the Creditor to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Creditor preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies are cumulative and are not exclusive of any other remedies provided herein or by law. Neither the execution nor the delivery of this Agreement shall constitute or be deemed to constitute a waiver of any default existing under any agreement by and between Debtor or the Creditor, existing as of the date of this Agreement, including, without limitation, any of the Secured Obligations.

12. Notices. All notices and other communications hereunder will be in writing and will be deemed to have been validly delivered (i) two (2) days after deposit of same in the United States mails, designated as registered or certified mail, return receipt requested, bearing adequate prepaid postage, or (ii) on the date of delivery to such party if delivered by hand, facsimile or telecopy or (iii) one day after delivery by overnight or other similar carrier, and addressed to the party to be notified at the address set forth below such party's signature, or to such other address as each party may designate for itself by like notice.

13. Binding Agreement; No Assignment by Debtor. This Agreement and the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and to the holder of indebtedness secured hereby and its respective successors, heirs, devisees, executors, administrators and assigns. This Agreement is not assignable by Debtor without the prior written consent of the Creditor.

14. Governing Law; Amendments. This Agreement shall in all respects be construed in accordance with and governed by the laws of the State of North Carolina, without regard to the principles of the conflict of laws or the choice of laws. This Agreement may not be amended or modified, nor may the Creditor's security interest in the Collateral be released, except in a writing signed by Debtor and the Creditor.

15. Further Assurances. Debtor agrees that at any time and from time to time, at its sole expense, it shall promptly take such action and execute and deliver such additional conveyances, assignments, agreements and instruments, as the Creditor may at any time reasonably request in connection with the administration and enforcement of this Agreement or relative to the Collateral or any part thereof or in order to better assure and confirm unto the Creditor its respective rights and remedies hereunder. Debtor hereby authorizes the Creditor to take such action as the Creditor and its counsel reasonably deem necessary or desirable to perfect the Creditor' respective security interest in the Collateral.

16. Subordination to First Union. This Agreement is expressly made subject to that certain Subordination and Intercreditor Agreement among First Union National Bank ("FUNB"), Creditor and Nine Rivers Technology Corporation and dated as of September 3, 1999 ("FUNB Subordination Agreement"). To the extent of any inconsistency between the terms of this Agreement and the terms of the FUNB Subordination Agreement, the terms of the FUNB Subordination Agreement shall control. Without limiting the foregoing, Creditor consents to all indebtedness now or hereafter owed by Debtor to FUNB and not prohibited under the terms of the FUNB Subordination Agreement, as well as liens and security interests now or hereafter securing such indebtedness.

17. Jurisdiction and Venue. Any suit, action or proceeding with respect to this Agreement or any judgment entered by any court in respect thereof shall be brought in the courts of the State of North Carolina, County of Wake, or in the United States courts located in the State of North Carolina, County of Wake, and the parties hereby submit to the jurisdiction of such courts for the purpose of any such suit, action, or proceeding. The parties hereby irrevocably consent to the service of process in any suit, action or proceeding in said courts by the mailing thereof by registered or certified mail, postage prepaid, to the parties' respective address as set forth in this Agreement below such party's signature. Each party hereby irrevocably waives any objections which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in the courts located in the State of North Carolina, County of Wake, and hereby further irrevocably waives

any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

18. Meaning of Terms. All terms used herein shall have the meanings as defined in the UCC in force and effect in the State of North Carolina on the date of this Agreement, unless the context otherwise requires.

19. Miscellaneous. This Agreement may be executed in multiple counterparts, each of which shall constitute the same Agreement. If any provision(s) of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or the application of such provision(s) to other persons or circumstances shall not be affected thereby and shall be enforced to the fullest extent permitted by law. The section and paragraph headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. When used herein, the singular shall include the plural, and vice versa, and the use of the masculine, feminine or neuter gender shall include all other genders, as the context may require.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed under seal and delivered as of the day and year first written above.

OBERLIN CAPITAL, L.P.

By: Oberlin Capital Partners, LLC, General Partner

By:_____
Robert G. Shepley, Jr.
President of the General Partner

Address: 702 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Attention: Robert G. Shepley, Jr.

NINE RIVERS TECHNOLOGY (TEXAS) CORPORATION

By:_____
Mark D. Clifford, President

Address: 701 Corporate Center Drive
Suite 125
Raleigh, North Carolina 27607
Attention: Mark D. Clifford

RALLIB01:518899.04

EXHIBIT E

NINE RIVERS TECHNOLOGY CORPORATION

Officer's Certificate

September 3, 1999

This certificate is made and delivered to Oberlin Capital, L.P., a Delaware limited partnership (the "Lender"), by Nine Rivers Technology Corporation, a North Carolina corporation (the "Corporation"), pursuant to Section 5.04(b) of the Loan and Security Agreement, dated as of September 3, 1999, by and between the Lender and the Corporation (the "Agreement"). Capitalized terms used herein not otherwise defined have the meanings assigned to them in the Agreement.

CERTIFICATION:

The Corporation hereby certifies to the Lender that the representations and warranties of the Corporation contained in Article III of the Agreement are true and correct on and as of the date hereof, except as otherwise disclosed, contemplated, qualified or permitted by the Agreement.

IN WITNESS WHEREOF, the undersigned, the duly authorized President of the Corporation, has executed this certificate as of the __ day of August, 1999.

NINE RIVERS TECHNOLOGY CORPORATION

By: _____
Mark D. Clifford , President

RALLIB01:509605.05

EXHIBIT F

OPINION OF COUNSEL

HUTCHISON
& MASON
PLLC

September 3, 1999

Oberlin Capital, L.P.
702 Oberlin Road
Suite 150
Raleigh, North Carolina 27605

Re: Issuance of Debenture and Warrant by Nine Rivers Technology Corporation ("Borrower") to Oberlin Capital, L.P. ("Lender")

Ladies and Gentlemen:

We have acted as counsel to Borrower, a North Carolina corporation, in connection with the execution and delivery of that certain Loan and Security Agreement by and between Lender and Borrower (the "Agreement") and the exhibits thereto, including without limitation that certain Senior Subordinated Debenture and those certain Stock Purchase Warrants, each of which sets forth a certain number of shares into which it is exercisable (collectively, the "Warrants"), and further have acted as counsel for the wholly-owned subsidiary of Borrower, Nine Rivers Technology (Texas) Corporation, a Texas corporation ("Subsidiary"), only in connection with the Subsidiary's execution and delivery of that certain Guaranty (the "Guaranty") and that certain Subsidiary Security Agreement (the "Subsidiary Security Agreement"), all of even date herewith (collectively with the Agreement, the "Transaction Documents"), and have participated in the closing of the $1,500,000 loan from Lender to Borrower (the "Transaction"). This opinion letter is rendered pursuant to Section 5.04 of the Agreement. Capitalized terms used in this opinion letter that are not otherwise defined herein will have the meanings ascribed to such terms in the Agreement.

For purposes of this opinion, we have examined originals or copies, identified to our satisfaction, of such documents, corporate records, instruments and other relevant materials as we deemed advisable, and have made such examination of statutes and decisions and reviewed such questions of law as we have considered necessary or appropriate. In our examination, we have assumed the genuineness of all signatures (other than those of Borrower on the Transaction Documents), the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, and the authenticity of the originals of such copies. As to facts material to this opinion letter, we have relied upon the representations and warranties of Borrower contained in the Transaction Documents and upon certificates, statements or representations of public officials, of officers and representatives of Borrower, without any independent verification thereof.

For purposes of this opinion, the phrases "to our knowledge," "we do not know," "we have no knowledge" or "known to us" mean, after the inquiry referred to above, the conscious awareness of the facts or other information by the lawyers in our firm who have actively been involved in our representation of Borrower.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

(1) Borrower is a corporation validly existing under the laws of the State of North Carolina.

(2) Borrower has the corporate power to execute and deliver the Transaction Documents, to perform its obligations thereunder, to own and use its assets and to conduct its business as presently conducted.

(3) Borrower has duly authorized the execution and delivery of the Transaction Documents and performance by Borrower thereunder and Borrower has duly executed and delivered the Transaction Documents.

(4) Each of the Transaction Documents is enforceable against Borrower in accordance with their respective terms.

(5) The execution and delivery by Borrower of the Transaction Documents do not, and if Borrower were to perform its obligations under the Transaction Documents such performance would not, result in any:

(i) violation of Borrower's Articles of Incorporation or Bylaws;

(ii) violation of any existing federal or state constitution, statute, regulation, rule, order or law to which Borrower or its properties or assets are bound; or

(iii) violation of any judicial or administrative decree, writ, judgment or order to which, to our knowledge, Borrower or its assets are subject.

(6) The Agreement is effective to create a security interest in the UCC Collateral and the trademarks described therein.

(7) The UCC financing statements naming Borrower as debtor and Lender as secured party, to be filed in the respective North Carolina Filing Offices (as defined below) (the "Financing Statements") are in the appropriate form for filing in the State of North Carolina, and no mortgage, documentary stamp or intangible taxes, or like fees or charges, other than normal filing fees, are required to be paid in connection with such filings. The security interests created by the Agreement, to the extent they may be perfected by the filing of UCC-1 financing statements in the State of North Carolina, will be perfected upon the due filing of the Financing Statements in the Office of the Secretary of State of North Carolina and the Office of the Register of Deeds of Wake County, North Carolina (the "North Carolina Filing Offices"), as appropriate.

(8) No consent, approval, authorization or other action by, or filing with, any governmental authority of the United States or the State of North Carolina is required for Borrower's execution and delivery of the Transaction Documents and consummation of the Transaction, except for filings of the Financing Statements and appropriate filings under Regulation D issued pursuant to the Securities Act of 1933, as amended, and filings under State "Blue Sky" laws, which will be made within the required time following the Closing.

(9) Borrower's authorized shares consist of 10,000,000 shares of Common Stock, of which (i) 5,000,000 shares have been designated as Class A Common Stock, of which 1,000,000 shares are issued and outstanding and (ii) 5,000,000 have been designated Class B Common Stock, none of which is issued and outstanding. To our knowledge, the outstanding shares have been duly authorized and validly issued and are fully paid and nonassessable. To our knowledge, none of the outstanding shares of capital stock of Borrower was issued in violation of any preemptive or similar rights of any security holder of Borrower. To our knowledge, Section 3.07 of the Disclosure Schedule sets forth a complete and accurate list of all outstanding shares of Common Stock and warrants, options and other rights to purchase or otherwise acquire Common Stock or other securities or instruments exchangeable for or convertible into Common Stock.

(10) The Warrants are exercisable into shares of Borrower's Common Stock (the "Warrant Shares") in accordance with the terms of the Warrants. The Warrant Shares have been duly authorized by Borrower and, when issued and paid for upon exercise of the Warrants in accordance with the terms thereof, will be fully paid, non-assessable and, to our knowledge, not subject to any preemptive or similar rights.

(11) To our knowledge, no litigation or other proceeding against Borrower or any of its property is pending or overtly threatened.

(12) Borrower is qualified to transact business as a foreign corporation in the States of Texas and Florida. The foregoing statement is based solely upon certificates provided by agencies of those states, copies of which Borrower has delivered to you at the closing of the Transaction, and is limited to the meaning ascribed to such certificates by each applicable state agency.

(13) The document naming Borrower as debtor and Lender as secured party to be filed with the United States Patent and Trademark Office (the "Trademark Financing Statements") are in the appropriate form for filing with the United States Patent and Trademark Office and no mortgage, documentary stamp or intangible taxes, or like fees or charges, other than normal filing fees, are required to be paid in connection with such filing. The security interests created by the Agreement, to the extent they may be perfected by the filing of the Trademark Financing Statements with the United States Patent and Trademark Office, will be perfected upon the due filing of the Trademark Financing Statements with the United States Patent and Trademark Office.

The opinions expressed above are subject to the following assumptions and qualifications:

(a) Lender will enforce its rights under the Transaction Documents in circumstances and in a manner in which it is commercially reasonable to do so.

(b) The Transaction Documents reflect all material aspects of the Transaction that might bear upon the legality, validity and enforceability of the Transaction Documents and the validity and accuracy of the opinions contained herein.

(c) Any opinions herein as to the enforceability of the Transaction Documents are subject to the qualification that enforcement of the Transaction Documents is limited by the following: (i) the rights of the United States of America under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity which may limit the availability of certain equitable remedies; and (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws applicable to creditors' rights or the collection of debtors' obligations generally.

(d) Our opinions are subject to limitations imposed by laws and judicial decisions relating to or affecting the rights of creditors and by general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity) upon the enforceability of any of the remedies, covenants, or other provisions of the Transaction Documents and upon the availability of injunctive relief or other equitable remedies; provided, however, that such laws and decisions do not, in our opinion, render the Transaction Documents invalid as a whole or make the remedies afforded by such documents inadequate for the practical realization of the benefits and security intended to be provided thereby.

(e) We express no opinion as to the enforceability of provisions of the Transaction Documents to the extent they contain:

(i) choice of law or forum selection provisions,

(ii) waivers by Borrower of any procedural, substantive or constitutional rights or remedies,

(iii) grants to Lender of powers of attorney,

(iv) cumulative remedies to the extent such cumulative remedies purport to compensate or would have the effect of compensating the party entitled to the benefits thereof in an amount in excess of the actual loss suffered by such party, or

(v) penalties or forfeitures.

(f) Our opinions contained in paragraph (6) above are subject to the following qualifications:

(i) We express no opinion with respect to the security interests of Lender in any collateral under the Transaction Documents which must be perfected by possession, which is not perfected by state filing or which may be perfected by permissive filing;

(ii) The continued perfection of Lender's security interest in the collateral under the Transaction Documents which may be perfected by the filing of Uniform Commercial Code financing statements will require the filing of continuation statements within the period of six months prior to the expiration of five years from the date of the original filings;

(iii) Except as provided in paragraph (6) above, we express no opinion regarding the perfection or priority of any security interest, pledge, lien, mortgage or similar interest in the collateral under the Transaction Documents;

(iv) We have undertaken no review or search of Uniform Commercial Code Financing Statements;

(v) We have assumed that Guarantor has received adequate consideration for the execution, delivery and performance of the Guaranty and the Subsidiary Security Agreement; and

(vi) We have assumed that Borrower's principal place of business and all of its assets and business records are located in Wake County, North Carolina.

(g) We have no obligation to update our opinions for events occurring after the date of this letter.

(h) We are attorneys licensed to practice only in the State of North Carolina, and we express no opinion as to the laws of any jurisdiction other than the State of North Carolina and the federal laws of the United States of America. For purposes of our opinions expressed herein, we have assumed that the Transaction Documents are governed exclusively by the internal, substantive laws and judicial decisions of the State of North Carolina. This opinion is rendered solely to Lender (and any permitted assignees of their interests in accordance with the terms of the Transaction Documents), and is not to be used, circulated, quoted, or otherwise relied on by third parties without our prior written consent. We bring to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result.

Very truly yours,

HUTCHISON & MASON PLLC

Hutchison & Mason PLLC

H&M:40249.05

EXHIBIT G

NINE RIVERS TECHNOLOGY CORPORATION

Secretary's Certificate

The undersigned, the Secretary of Nine Rivers Technology Corporation, a North Carolina corporation (the "Corporation"), does hereby certify to Oberlin Capital, L.P., a Delaware limited partnership (the "Lender"), as follows:

1. Attached hereto as Exhibit A is a true, correct, and complete copy of the Articles of Incorporation of the Corporation, which Articles of Incorporation are in full force and effect as of the date hereof and has not been amended or rescinded.

2. Attached hereto as Exhibit B is a true, correct and complete copy of the Bylaws of the Corporation, which Bylaws are in full force and effect as of the date hereof and have not been amended or rescinded.

3. Attached hereto as Exhibit C is a true, correct and complete copy of the resolutions duly and lawfully adopted by written consent of the Board of Directors of the Corporation, and such resolutions are in full force and effect as of the date hereof and have not been amended or rescinded.

4. The persons whose names, titles and signatures appear below are, on the date hereof, duly elected and acting incumbents of the offices of the Corporation set opposite their respective names, and the signatures appearing at the right of their respective names are the genuine signatures of such officers:

Name	Title	Signature
Mark Clifford	President	_____
_____	Secretary	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as this 3rd day of September, 1999.

_____

_____, Secretary

RALLIB01:509603.02

EXHIBIT H

COLLATERAL ASSIGNMENT

A. FOR VALUE RECEIVED, the undersigned (the "Assignor") hereby jointly and severally assign, transfer, and set over to OBERLIN CAPITAL, L.P., a Delaware limited partnership, its successors and assigns (collectively, the "Assignee"), the life insurance policy(ies) set forth on Schedule A hereto issued by the insurance company(ies) set forth on Schedule A (collectively, the "Insurer(s)") and any supplementary contracts issued in connection therewith (collectively, the "Policy"), upon the life of Mark Clifford and all claims, options, privileges, rights, title, and interest therein and thereunder (except as provided in Paragraph C hereof), subject to all the terms and conditions of the Policy and to all superior liens, if any, which the Insurer(s) may have against the Policy. The Assignor by this Assignment agrees and the Assignee by the acceptance of this Assignment agrees to the conditions and provisions herein set forth.

B. It is expressly agreed that, without detracting from the generality of the foregoing, the following specified rights are included in this Assignment and pass by virtue hereof:

1. The sole right to collect from the Insurer(s) the net proceeds of the Policy when a claim arises by reason of death or maturity;

2. The sole right to surrender the Policy and receive the surrender values thereof at any time provided by the terms of the Policy and at such other times as the Insurer(s) may allow;

3. The sole right to obtain one or more loans or advances on the Policy either from the Insurer(s) or at any time from other persons and to pledge or assign the Policy as security for such loans or advances;

4. The sole right to collect and receive all distributions or shares of surplus, dividends, deposits, or additions to the Policy now or hereafter made or apportioned thereto and to exercise any and all options contained in the Policy with respect thereto; provided, that unless and until the Assignee will notify the Insurer(s) in writing to the contrary, the distributions or shares of surplus, dividends, and deposits and additions will continue in force at the time of this Assignment; and

5. The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer(s) and to receive all benefits and advantages derived therefrom.

C. It is expressly agreed that the following specific rights, so long as the Policy has not been surrendered, are reserved and excluded from this Assignment and do not pass by virtue hereof:

1. The right to collect from the Insurer(s) any disability benefit payable in cash that does not reduce the amount of insurance;

2. The right to designate and change the beneficiary;

3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer(s); but the reservation of these rights will in no way impair the right of the Assignee to surrender the Policy completely with all its incidents and will in no way impair any other rights of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement will be made subject to this Assignment and to the rights of the Assignee hereunder.

D. This Assignment is made and the Policy are to be held as collateral security for any and all liabilities of Nine Rivers Technology Corporation, a North Carolina corporation, to the Assignee, either now or hereafter existing, and all future advances by the Assignee to such borrower (collectively, the "Liabilities").

E. The Assignee covenants and agrees with the Assignor that any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, will be paid by the Assignee to the persons entitled thereto under the terms of the Policy as if this Assignment had not been executed.

F. The Insurer(s) are hereby authorized to recognize the Assignee's claims to rights hereunder without investigating the reason for any action taken by the Assignee or the validity or the amount of the Liabilities or the existence of any default therein, or the application to be made by the Assignee of any amounts to be paid to the Assignee. The sole signature of the Assignee will be sufficient for the exercise of any rights under the Policy assigned hereby and the sole receipt of the Assignee for any sums received will be a full discharge and release therefor to the Insurer(s). Checks for all or any part of the sums payable under the Policy and assigned herein will be drawn to the exclusive order of the Assignee if, at such time, and in such amounts as may be requested by the Assignee.

G. The Assignee will be under no obligation to pay any premium or the principal of or interest on any loans or advances on the Policy, whether or not obtained by the Assignee, or any other charges or premiums on the Policy, but any such amounts so paid by the Assignee from its own funds will become a part of the Liabilities hereby secured, will be due on demand, and will draw interest at a rate fixed by the Assignee equal to the highest rate of interest in effect from time to time on any of the Liabilities (which in no event will exceed the highest contract rate permitted by law).

H. The exercise of any right, option, privilege, or power given herein to the Assignee will be at the option of the Assignee, but the Assignee may exercise any such right, option, privilege, or power without notice to, or assent by, or affecting the liabilities of, or releasing any interest hereby assigned by the Assignor or any of them.

I. The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the Liabilities, may grant extensions, renewals, or indulgences with respect to the Liabilities, or may apply to the Liabilities in such order as the Assignee will determine the proceeds of the Policy hereby assigned or any amount received on account of the Policy by the exercise of any right permitted under this Assignment without resorting or regard to other security. The Insured unconditionally waives any and all rights to require the Assignee to resort to other parties, collateral or remedies before exercising its rights hereunder.

J. In the event of any conflict between the provisions of this Assignment and provisions of any note or other evidence of any Liabilities, with respect to the Policy or rights of collateral security therein, the provisions of this Assignment will prevail.

Signed and sealed as of the _____ day of August, 1999.

Owner:

_____(Seal)

Address: _____
_____
_____
_____

STATE OF _____)
)
COUNTY OF _____)

I, _____, a Notary Public, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the _____ day of August, 1999.

My commission expires:

_____

_____
Notary Public

[Official Seal]

* * * * *

Duplicate received and filed at the home office of the Insurer this ____ day of _____, 199___. The Insurer's records reflect no other assignment of the Policy (as defined above) except: _____.

_____
[Name of Insurer]

By:_____
Title: _____

Schedule A

Policy No.	Owner	Insurer	Amount	Insured

RALLIB01:509600.06

SCHEDULE A

LENDER

Names and Address	Principal Amount	Warrants	Fair Market Value of Warrant
Oberlin Capital, L.P. 702 Oberlin Road Suite 150 Raleigh, NC 27605	$1,500,000.00	3.1% (*) (**) 15,000 shares (**)	$10,000 $0

* 3.1% of the Common Stock of Borrower, calculated on a fully diluted basis as set forth in the Warrant.

** Subject to adjustment as provided in the Warrant.

DISCLOSURE SCHEDULE OF NINE RIVERS TECHNOLOGY CORPORATION ("NRT")
(INCLUDING ITS SUBSIDIARY, NINE RIVERS TECHNOLOGY (TEXAS) CORPORATION) ("SUBSIDIARY") PURSUANT TO THE LOAN AND SECURITY AGREEMENT DATED SEPTEMBER 3, 1999 (THE "AGREEMENT") BY AND AMONG NRT AND OBERLIN CAPITAL, L.P. AS THE LENDER NAMED THEREIN

The Disclosure Schedule is qualified in its entirety by reference to the provisions of the Agreement and does not constitute a representation or warranty of NRT except as expressly provided in the Agreement.

Headings have been inserted in the Disclosure Schedule for reference only and do not amend the descriptions of the disclosed items set forth in the Agreement.

Capitalized terms not otherwise defined herein have the meanings assigned to such terms in the Agreement.

H&M:43237.07

SCHEDULES OF EXCEPTIONS

Schedule 2.03	Senior Indebtedness
Schedule 3.02	Subsidiaries
Schedule 3.06	Other Transactions
Schedule 3.07	Capitalization
Schedule 3.08	Principal Offices
Schedule 3.10	Material Adverse Changes
Schedule 3.14	Liens
Schedule 3.15	Insider Transactions
Schedule 3.16	Title to Real Property
Schedule 3.17(a)	Intellectual Property
Schedule 3.17(b)	Rights to Intellectual Property
Schedule 3.17.1	Borrower Software Assets
Schedule 3.17.2	Third Party Software
Schedule 3.23	Employee Benefit Plans
Schedule 4.02	Coffee Redemption Assets
Schedule 4.03	Use of Proceeds
Schedule 4.17	Restricted Payments
Schedule 4.20	Mergers, Consolidations and Sales of Assets
Schedule 4.21	Transactions with Affiliates
Schedule 4.22	Change in Control
Schedule 4.23	Changes in Equity; No Impairment of Warrants

SCHEDULE 2.03
PRIOR INDEBTEDNESS OF BORROWER
(SENIOR INDEBTEDNESS)

A. NRT:

1. Loan Agreement between NRT and First Union National Bank dated June 28, 1999 for:

   (i) Working Capital Line of Credit in the principal amount of $2,000,000.00; and
   (ii) Term Loan in the principal amount of $3,500,000.00.

2. Equipment Leases:

   (i) Master Lease Agreement between NRT and NationsCredit Commercial Corp. (accounts assigned to Textron Financial Corp.) dated June 6, 1998;
   (ii) Equipment Lease Agreement between NRT and National Computer Leasing dated March 18, 1999; and
   (iii) Master Equipment Lease between NRT and El Camino Resources, Ltd. dated March 12, 1999.

B. Subsidiary:

1. None.

SCHEDULE 3.02
SUBSIDIARIES OF BORROWER

A. NRT:

1. Nine Rivers Technology (Texas) Corporation
a Texas corporation, and a wholly owned subsidiary of NRT.

B. Subsidiary:

1. None.

SCHEDULE 3.06
OTHER TRANSACTIONS

A. NRT:

1. See Schedule 2.03.

B. Subsidiary:

1. None.

SCHEDULE 3.07
CAPITALIZATION OF BORROWER

A. NRT:

1. Class A Common Stock (Voting) Stockholders
Mark D. Clifford - 1,000,000 shares

2. Stock Option Plan Participants (options are exercisable into Class B Common Stock)

Employee Name	**Stock Options**
Evelyn Carrick	500
Jorge Corbo	150
Jack Darden	350
Lisa Figueroa	500
Robert Gabler	350
Verena Henry	100
Kumar Kukunuru	300
Nichole Leonardz	75
Gina Lucia	350
Chandra Rapulo	275
Jeff Reese	500
Wendy Riddle	300
Ted Rodevick	350
M.K. Sundar	500
Total:	**4,600**

4. There are restrictions on the shares of Class A Common Stock pursuant to the Class A Shareholders' Agreement dated November 17, 1997; and on the shares of Class B Common Stock pursuant to the Class B Shareholders' Agreement dated December 9, 1997.

B. Subsidiary:

1. Common Stock Stockholder:
NRT – 1,000 shares

SCHEDULE 3.08
BORROWER'S PLACE OF BUSINESS

A. NRT:

1. Nine Rivers Technology Corporation
701 Corporate Center Drive
Suite 125
Raleigh, N.C. 27607

B. Subsidiary:

1. Nine Rivers Technology (Texas) Corporation
701 Corporate Center Drive
Suite 125
Raleigh, N.C. 27607

SCHEDULE 3.10
FINANCIAL STATEMENTS

A. NRT:

1. See Schedule 2.03 for NRT's current banking relationship and its associated borrowing.

2. On June 14, 1999, NRT completed an agreement with Headway Corporate Resources, Inc. and Headway Corporate Staffing Services of North Carolina, Inc. The purpose of the agreement was to sell NRT's consulting services group to Headway for cash and earn-out payments.

3. NRT has redeemed all of the NRT stock previously owned by with Stephen S. Coffee in exchange for (1) $100,000 cash, (2) a promissory note in the amount of $450,000, (3) exclusive rights to CurrentView, NRT's document imaging software, (4) the CurrentView client list and assignment of existing contracts for CurrentView, and (5) certain equipment owned or leased by NRT, and certain related obligations set forth in that certain Redemption Agreement dated as of August 18, 1999, by and between NRT and Stephen S. Coffee.

B. Subsidiary:

1. NRT's Subsidiary does not have separate financial statements to be provided.

SCHEDULE 3.13
TAXES

A. NRT:

1. An unpaid tax liability of $41,000 for 1997 income taxes for Foresight Manufacturing Systems, Inc. exists, which has been filed, but not paid. It is NRT's contention, based upon advice of legal counsel (other than Hutchison & Mason PLLC), that this is rightfully a liability of the previous owner(s) of Foresight. NRT will pay this liability as part of the agreement to repurchase stock from Mr. Coffee.

2. In July of 1999, a sales tax audit was performed by the State of North Carolina. The results from this sales tax audit have neither been completed nor provided to NRT as of the date hereof. The results of the sales tax audit are not reasonably anticipated to have a material adverse effect on NRT or its business or financial conditions.

B. Subsidiary:

1. None.

SCHEDULE 3.14
COLLATERAL

A. NRT:

1. First Union National Bank ("FUNB") has a first lien on all assets of NRT to secure indebtedness owed by NRT to FUNB as described in Schedule 2.03.

2. NRT also has leasing relationships with those firms set forth in Schedule 2.03. Those firms can claim a right, title, interest, security interest, claim or lien with respect to the specified assets leased by NRT.

B. Subsidiary:

1. None.

SCHEDULE 3.15
CERTAIN TRANSACTIONS

A. NRT:

1. The majority shareholder of NRT, Mark D. Clifford, is also a director, CEO and president, and an employee of NRT, and is eligible for compensation and benefits provided by NRT.

2. Lisa M. Clifford is a director, Vice President, Secretary, and an employee of NRT, and is eligible for compensation and benefits provided by NRT.

3. Subject to the terms and conditions of the Agreement, NRT will, from time to time, incur a liability to both Mark D. Clifford and Lisa M. Clifford, as employees for wages, payroll related taxes, and reimbursement for certain other business related expenses such as travel.

B. Subsidiary:

1. None.

SCHEDULE 3.16
TITLE OF PROPERTY

A. NRT:

1. Leased Real Property

701 Corporate Center Drive
Suite 125
Raleigh, N.C. 27607

1950 Stemmons Frwy.
Suite 5032
Dallas, Texas 75207
(lease to be assigned or subleased as a part of the Coffee Redemption)

6401 Congress Avenue
Suite 110
Boca Raton, FL 33487
(facility to be subleased to Headway Corporate Resources, Inc.)

2. See Schedule 3.14.

B. Subsidiary:

2. None.

SCHEDULE 3.17(a)
INTELLECTUAL PROPERTY

A. NRT:

1. Registered Service Marks/Trademarks:
   a. "Nine Rivers Technology" (as service mark): Registration No. 2172480
      Filing Date: July 14, 1998
   b. "CurrentStaff" (as trademark): Registration No. 2226259
      Filing Date: February 23, 1999
   c. "CurrentSolutions" (as service mark): Registration No. 2226258
      Filing Date: February 23, 1999

2. Pending Service Marks/Trademarks:
   a. "Miscellaneous Design/NRT logo" (as service mark): Serial No. 75/630899
      Filing Date: January 29, 1999
      Status: Application Pending
   b. "CurrentCare ER" (as trademark): Serial No. 75/468963
      Filing Date: April 16, 1998
      Status: Application Pending
   c. "CurrentSolutions" (as trademark); Serial No. 75/469295
      Filing Date: April 16, 1998
      Status: Application Pending

3. Software:
   a. CurrentCare ER Main Application Source Code:CcerSource
   b. CurrentCare ER System Administration Source Code: SysCpsSource
   c. CurrentCare ER Super User Training Manual
   d. CurrentCare ER Application Administrator User Guide

4. NRT has exited from the business of providing computer consulting services for software other than CurrentCare ER. As a result of this decision, and the Asset Purchase Agreement entered into between NRT, Headway Corporate Staffing Services, Inc., and Headway Corporate Staffing Services of North Carolina, Inc., Headway has been permitted a limited use of the service mark/trademark names "Nine Rivers Technology Corporation," "CurrentStaff" and "CurrentView" for a limited period on a non-exclusive basis.

5. Liens in favor of First Union National Bank securing the indebtedness referenced in Schedule 2.03.

B. Subsidiary:

1. None.

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SCHEDULE 3.17(b)
INTELLECTUAL PROPERTY

A. NRT:

1. Liens in favor of First Union National Bank securing the indebtedness referenced in Schedule 2.03. See also, Schedule 3.17(a).

B. Subsidiary:

1. None.

SCHEDULE 3.17.1(i)
BORROWER SOFTWARE ASSETS

A. NRT:

1. CurrentCare ER. It is a Windows-based paperless Emergency Department Information System ("EDIS").

2. Current View: NRT sold this software to Stephen Coffee pursuant to the Coffee Redemption.

B. Subsidiary:

1. None.

SCHEDULE 3.17.1(ii)
BORROWER SOFTWARE ASSETS

A. NRT:

1. Authorized Reseller Agreement with Lernout & Hauspie Speech Products N.V., which authorizes them to resell CurrentCare ER.

2. Remarketing Agreement with Eclipsys Corporation which authorizes them to resell CurrentCare ER to their customers.

3. A remarketing agreement with Medical Systems Management, Inc. is currently under negotiation.

4. Borrower has not taken steps to secure worldwide intellectual property rights. Borrower has limited its efforts to secure such rights to the United States.

5. Liens in favor of First Union National Bank securing the indebtedness referenced in Schedule 2.03.

B. Subsidiary:

1. None.

SCHEDULE 3.17.1(vii)
BORROWER SOFTWARE ASSETS

A. NRT:

1. The following individuals, who are not U.S. citizens, have participated in the development or creation of the CurrentCare ER software.

Name	Residency Status	Nationality	Employment Status
Kumar, Sajeev	H-1	Indian	Subcontractor
Sharma, Geetanjali	H-1	Indian	Employee
Sundar, M.K.	H-1	Indian	Subcontractor
Sundareswaran, Sriram	H-1	Indian	Subcontractor
Venkataraman, Prabha	Permanent Resident	Indian	Employee
Wang, Shuo (Charles)	H-1	Chinese	Employee
Mogilicharla, Venkateshwara	H-1	Indian	Subcontractor

B. Subsidiary:

1. None.

SCHEDULE 3.17.2(i)
THIRD PARTY SOFTWARE

A. NRT:

1. As a reseller of hardware and software, NRT sold such third-party software as Oracle, Informix, Microsoft SQL, various operating systems (including, but not limited to Windows 3.11, 95, 98, NT, UNIX, AIX), Tracer, and Microsoft application programs (including, but not limited to Visual Basic, SQL, Word, Access, and Excel, C++), plus diagnostic and monitoring software produced by specific hardware vendors. Most software was shrink-wrap, and was resold to NRT's customer, having been purchased from a distributor.

2. NRT's proprietary software product CurrentView is a document imaging system which utilizes third-party utilities, linked together by NRT created code, to scan, store, manipulate, and transmit images. Third-party software utilized, includes such products as MS SQL, AIX, HPUX, Sun OS, UNIX, Sybase, Intersolve, SwiftView, Informix, Oracle, TMS Sequoia, and Accusoft.

3. NRT's proprietary software product CurrentCare ER is an emergency room information system which utilizes various third-party operating systems, programming languages, utilities, and tools to create a unique product which enables hospital emergency room personnel to document completely an emergency room visit. Third party products include T-Link by MSI, MS SQL, Citrix, Crystal Reports by Seagate Software, LifeArt by TechPool, MS NT Server, MS NT Enterprise Server, and MS SQL Enterprise, all of which are generally available to the public.

4. In addition to the above, certain software (operating systems, maintenance, and diagnostic) is required by the manufacturers of the hardware which is resold by NRT to CurrentCare ER customers. LifeArt by TechPool which was $25,000 for 200 copies of 200 images, which equates to $125 per customer.

B. Subsidiary:

1. None.

SCHEDULE 3.23
ERISA COMPLIANCE

A. NRT:

1. Nine Rivers Technology Corp. 401(k) plan.
2. Medical and Dental insurance plan provided through Blue Cross/Blue Shield of North Carolina.
3. Premium Only Plan, Section 125 for employee dependents.

B. Subsidiary:

1. None.

SCHEDULE 4.02
COFFEE REDEMPTION ASSETS

As noted in Schedule 3.10, NRT has redeemed all of the NRT stock previously owned by Stephen S. Coffee in exchange for (1) $100,000 cash, (2) a promissory note in the amount of $450,000, (3) exclusive rights to CurrentView, NRT's document imaging software, (4) the CurrentView client list and assignment of CurrentView contracts, and (5) certain equipment owned or leased by NRT.

The items which Mr. Coffee received from NRT in this transaction include the software and intellectual property associated with CurrentView, and certain computer equipment which had been used in the development of the CurrentView software. None of the equipment transferred was acquired by NRT within a year prior to the transfer, and none of the equipment was used in the development of CurrentCare.

SCHEDULE 4.03(b)
USE OF PROCEEDS, RESTRICTIONS ON ACTIVITIES

Loan proceeds are to be use for general corporate and working capital purposes.

H&M:43237.07

SCHEDULE 4.17
RESTRICTED PAYMENTS

See Schedule 3.06.

SCHEDULE 4.20
MERGERS, CONSOLIDATIONS AND SALES OF ASSETS

None.

SCHEDULE 4.21
TRANSACTIONS WITH AFFILIATES

None.

SCHEDULE 4.22
CHANGE IN CONTROL

None.

SCHEDULE 4.23
CHANGES IN EQUITY; NO IMPAIRMENT OF WARRANTS

None.