

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
B-There.com Corp.		07/31/2003	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	StarCite, Inc.		
Street Address:	1650 Arch Street, 18th Floor		
City:	Philadelphia		
State/Country:	PENNSYLVANIA		
Postal Code:	19103		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	76071700	ATTENDEE RELATIONSHIP MANAGEMENT	
CORRESPONDENCE DATA			
Fax Number:	(202)887-4288		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	202.887.4000		
Email:	Iskrypoczka@akingump.com, DC_IPDocketing@akingump.com		
Correspondent Name:	Lesia O. Skrypoczka		
Address Line 1:	1333 New Hampshire Avenue, N.W.		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20036-1564		
NAME OF SUBMITTER:		Lesia O. Skrypoczka	
Signature:		/Lesia O. Skrypoczka/	
Date:		10/25/2008	

Total Attachments: 49
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ASSET PURCHASE AGREEMENT

BY AND BETWEEN

STARCITE, INC.

(a Delaware corporation)

and

b-there.com corp.

(a Delaware corporation)

1-PH/1840214.10

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is made as of July 31, 2003, by and between b-there.com corp., a Delaware corporation (the "Seller") and StarCite, Inc., a Delaware corporation (the "Buyer," and together with the Seller, the "Parties," each a "Party"). Certain other terms are used herein as defined below in Section 1 or elsewhere in this Agreement.

BACKGROUND

The Seller owns and operates the Business (defined below). This Agreement sets forth the terms and conditions upon which the Buyer is purchasing the Purchased Assets (defined below) and assuming the Assumed Liabilities (defined below) from the Seller and the Seller is selling the Purchased Assets and transferring the Assumed Liabilities to the Buyer.

AGREEMENT

NOW, THEREFORE, the Parties, intending to be legally bound hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein, hereby agree as follows:

Definitions.

For convenience, certain terms used in this Agreement are defined or referred to below (such terms as well as any other terms defined elsewhere in this Agreement shall be equally applicable to both the singular and plural forms of the terms defined).

"Accounts Receivable" means, as of any date, any trade accounts receivable, notes receivable, bid, performance, lease, utility or other deposits, employee advances and any other miscellaneous receivables of the Business.

"Affiliates" means, with respect to a particular Party, Persons or entities controlling, controlled by or under common control with that Party. For the purposes of the foregoing, ownership, directly or indirectly, of 20% or more of the voting stock or other equity interest shall be deemed to constitute control.

"Agreement" means this Agreement and the Exhibits and Disclosure Schedules.

"Assumed Liabilities" is defined in Section 2.5(a).

"Balance Sheet" is defined in Section 4.5.

"Balance Sheet Date" is defined in Section 4.5.

"Benefit Plan" means all employment, compensation, vacation, bonus, deferred compensation, incentive compensation, stock purchase, stock option, stock appreciation right or other stock-based incentive, severance, change-in-control, or termination pay, hospitalization or other medical, disability, life or other insurance, supplemental unemployment benefits, profit-sharing, pension or retirement plans, programs, arrangements, or employee benefit plans within the meaning of Section 3(3) of ERISA, sponsored, maintained or contributed to or required to be contributed to by Seller or any ERISA Affiliate or for which the Seller otherwise has or may have any liability, contingent or otherwise, either directly or through an ERISA Affiliate and any related or separate Contracts, plans, trusts, programs, policies and arrangements that provide benefits of economic value to any present or former employee, director,

agent, or independent contractor of Seller or of an ERISA Affiliate or present or former beneficiary, dependent or assignee of any such present or former employee, director, agent or independent contractor.

"Bill of Sale, Assignment and Assumption Agreement" means a bill of sale, assignment and assumption agreement by and between the Seller and the Buyer in substantially the same form as set forth on Exhibit "A".

"Business" means the entire business, operations and facilities of the Seller and its Subsidiaries, including the goodwill appurtenant to such business.

"Business Day" means any day other than a Saturday or Sunday, or a day on which the banking institutions in the State of Delaware are authorized or required by law to be closed.

"Buyer" is defined above in the preamble.

"Buyer ERISA Affiliate" means any Person that, together with the Buyer, is or was at any time treated as a single employer under Section 414 of the Code or Section 4001 of ERISA and any general partnership of which the Buyer is or has been a general partner.

"Buyer Plan" means all employment, compensation, vacation, bonus, deferred compensation, incentive compensation, stock purchase, stock option, stock appreciation right or other stock-based incentive, severance, change-in-control, or termination pay, hospitalization or other medical, disability, life or other insurance, supplemental unemployment benefits, profit-sharing, pension or retirement plans, programs, arrangements, or employee benefit plans within the meaning of Section 3(3) of ERISA, sponsored, maintained or contributed to or required to be contributed to by the Buyer or any Buyer ERISA Affiliate or for which the Buyer otherwise has or may have any Liability, contingent or otherwise, either directly or as a result of a Buyer ERISA Affiliate and any related or separate Contracts, plans, trusts, programs, policies and arrangements that provide benefits of economic value to any present or former employee, director, agent, or independent contractor of the Buyer or of a Buyer ERISA Affiliate or present or former beneficiary, dependent or assignee of any such present or former employee, director, agent or independent contractor.

"Charter Documents" means a Person's certificate or articles of incorporation, certificate defining the rights and preferences of securities, articles of organization, general or limited partnership agreement, certificate of limited partnership, joint venture agreement or similar document governing the entity.

"Closing" is defined in Section 3.1.

"Closing Certificates" means the certificates to be delivered by the Seller and the Buyer at the Closing under Section 3.2 and any other provisions hereof.

"Closing Date" is defined in Section 3.1.

"Closing Shares" is defined in Section 2.2(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Connecticut Tax Audit" means the state tax audit of the Seller currently underway by the State of Connecticut.

"Contract" means any written or oral contract, agreement, lease, instrument, or other document or commitment, arrangement, undertaking, practice or authorization that is binding on any Person or its property under any applicable Law.

"Copyrights" means any copyrights and registrations and applications therefor, including all renewals and extensions thereof and rights corresponding thereto in both published and unpublished works throughout the world, owned, used or licensed by the Seller or held for use by any Affiliate of the Seller in connection with the conduct of the Business.

"Court Order" means any judgment, decree, injunction, order or ruling of any Governmental Body or authority that is binding on any Person or its property under applicable Law.

"Custom Software" means any computer software that has been developed or designed for the exclusive use by the Seller in the Business.

"Database" means any data and other information recorded, stored, transmitted and retrieved in electronic form by a System, whether located on any System or archived in storage media of a type employed or used in conjunction with any System.

"Default" means (a) a breach, default or violation, (b) the occurrence of an event that with or without the passage of time or the giving of notice, or both, would constitute a breach, default or violation or cause an Encumbrance to arise, or (c) with respect to any Contract, the occurrence of an event that with or without the passage of time or the giving of notice, or both, would give rise to a right of termination, cancellation, amendment, renegotiation or acceleration or a right to receive damages or a payment of penalties.

"Disclosure Schedule" or "Schedule" means any of the disclosures hereto containing information relating to a Party pursuant to Sections 4 and 5 and other provisions hereof that has been provided to a Party on the date hereof.

"Encumbrances" means any lien, mortgage, security interest, pledge, restriction on transferability, defect of title or other claim, charge or encumbrance of any nature whatsoever on any property or property interest, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

"Environmental Condition" is defined in Section 4.14(b).

"Environmental Law" means all Laws and Court Orders relating to pollution or protection of human health or the environment as well as any principles of common law under which a Party may be held liable for the Release or discharge of any Hazardous Substance into the environment.

"Environmental Liability" means any Liability relating to or arising out of an Environmental Condition.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any Person that, together with the Seller, is or was at any time treated as a single employer under Section 414 of the Code or Section 4001 of ERISA and any general partnership of which Seller is or has been a general partner.

"Escrow Agent" means J.P. Morgan Trust Company, a National Association.

"Escrow Agreement" means the escrow agreement by and among the Seller, the Buyer and the Escrow Agent in substantially the same form as Exhibit "B."

"Escrow Shares" is defined in Section 2.2(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"GAAP" means U.S. generally accepted accounting principles.

"Governmental Body" means any (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature, or any political subdivision thereof, (b) federal, state, local, municipal, foreign or other government or (c) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, regulatory body or other entity and any court, arbitrator or other tribunal).

"Governmental Permits" means any permits, licenses, registrations, certificates of occupancy, approvals or other authorizations of any Governmental Body.

"Hardware" means any mainframe, midrange computer, personal computer, notebook or laptop computer, server, switch, printer, modem, driver, peripheral or any component of any of the foregoing.

"Hazardous Substances" means any toxic, carcinogenic or hazardous material or waste, whether gaseous, liquid or solid that poses, or is reasonably likely to pose a hazard to the environment or human health or safety including (a) any "hazardous substances" as defined by the federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq., (b) any "extremely hazardous substance," "hazardous chemical," or "toxic chemical" as those terms are defined by the federal Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §§11001 et seq., (c) any "hazardous waste," as defined under the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq., (d) any "pollutant," as defined under the federal Water Pollution Control Act, 33 U.S.C. §§1251 et seq., with respect to such laws in clauses (a) through (d) as amended as of the date hereof, and (e) any regulated substance or waste under any other Laws or Court Orders that have been enacted, promulgated or issued by any federal, state or local governmental authorities concerning protection of human health or the environment.

"Intellectual Property" means any Copyrights, Patents, Trademarks, Internet domain names, technology rights and licenses, franchises, Software Products, Custom Software, invention disclosures, discoveries, innovations and rights in research and development, whether patentable or not in any jurisdiction throughout the world and any other intellectual property or any similar, corresponding or equivalent right to any of the foregoing, owned, used or licensed by the Seller or held for use by any Affiliate of the Seller in connection with the conduct of the Business and Trade Secrets owned, used or licensed by the Seller or held for use by any Affiliate of the Seller (other than Seaport Capital, TL Ventures and any of each of their Affiliates) in connection with the conduct of the Business.

"Inventory" means all inventory of the Seller, including raw materials, supplies, packaging supplies, work in process and finished goods.

"IRS" means the U.S. Internal Revenue Service.

"knowledge," "to the knowledge of," or phrases of similar import, with respect to an individual, means an individual shall be deemed to have knowledge of a particular fact or other matter if (a) that individual is actually aware of that fact or matter; or (b) a prudent individual could discover or otherwise become aware of that fact or matter in the course of conducting a reasonable inquiry regarding the accuracy of any representation or warranty contained in this Agreement. With respect to a Person, other than an individual, "knowledge," or phrases of similar import, means a Person shall be deemed to have knowledge of a particular fact or other matter if any individual who is serving, as a director or executive officer of that Person (or in any similar capacity) has, or at any time had, knowledge of that fact or other matter (as set forth in (a) and (b) above), and any such individual (and any individual party to this

Agreement) will be deemed to have conducted a reasonable inquiry regarding the accuracy of the representation and warranties made herein by that Person or individual.

"Law" means any statute, law, ordinance, regulation, order or rule of any Governmental Body, including those covering environmental, energy, safety, health, transportation, bribery, record keeping, zoning, antidiscrimination, antitrust, wage and hour, and price and wage control matters, as well as any applicable principle of common law.

"Liability" means any direct or indirect liability, indebtedness, obligation, expense, claim, loss, damage, deficiency, guaranty or endorsement of or by any Person, absolute or contingent, accrued or unaccrued, asserted or unasserted, due or to become due, liquidated or unliquidated.

"Litigation" means any lawsuit, action, arbitration, administrative, quasi-administrative or other proceeding, criminal prosecution or investigation or inquiry of any Governmental Body.

"Material Adverse Effect" means a material adverse effect on the Business, the Purchased Assets or the condition (financial or otherwise), assets, Liabilities or results of operations of the Seller, taken as a whole.

"Net Working Capital" means, as of a given date, the amount calculated by subtracting (x) the sum of the accounts payable and accrued expenses (including liabilities for any and all committed severance payments) from (y) the sum of the cash and cash equivalents and the net Accounts Receivable (including an allowance for doubtful accounts receivable).

"Non-Assignable Contract" is defined in Section 2.7.

"Non-Competition Period" is defined in Section 6.1.

"Non-Real Estate Leases" is defined in Section 4.9.

"Off-the-Shelf Software" is defined in Section 4.16(a)(i).

"Ordinary course" or "ordinary course of business" means, with respect to an action taken by any Person, an action that (a) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal operations of such Person.

"Parties" is defined above in the preamble.

"Patents" means any patents together with any extensions, reexaminations and reissues of such patents, patents of addition, patent applications, divisions, continuations, continuations-in-part, and any subsequent filings in any country or jurisdiction claiming priority therefrom, owned, used or licensed by the Seller or held for use by any Affiliate of the Seller in connection with the conduct of the Business.

"Person" means any natural person, business trust, corporation, partnership, limited liability company, joint stock company, proprietorship, association, trust, joint venture, unincorporated association or any other legal entity of whatever nature.

"Preferred Stock" means the Series A Preferred Stock of the Buyer, par value \$0.001 per share, the Series B Preferred Stock of the Buyer, par value \$0.001 per share, the Series C-1 Preferred Stock of the Buyer, par value \$0.001 per share, the Series D Preferred Stock of the Buyer, par value \$0.001 per share, the Series E Preferred Stock and the Series E-2 Preferred Stock of the Buyer, par value \$0.001 per share.

"Prime Rate" means, as of a given Business Day, the prime lending rate as reported in The Wall Street Journal on such Business Day.

"Purchased Assets" is defined in Section 2.1.

"Real Property" means all rights and interests in or to real property, including fee estates, leaseholds and subleaseholds, purchase options, easements, licenses, privileges, hereditaments, appurtenances thereto, rights to access and rights of way, owned by the Seller or used in the operation of the Business, together with any additions thereto or replacements thereof.

"Release" means any release, spill, emission, leaching, leaking, migration, dumping, emptying, pumping, injection, deposit, disposal, discharge or dispersal into the indoor or outdoor environment, or into or out of any property.

"Restated Charter" means that certain Amended and Restated Certificate of Incorporation to be filed in connection with the execution and delivery of the Series E Preferred Stock Purchase Agreement.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" is defined above in the preamble.

"Seller Required Consents" is defined in Section 4.3.

"Series E Preferred Stock" means the Series E-1 Preferred Stock of the Buyer, par value \$0.001 per share.

"Side Letter" means that letter (agreement) by and between the Buyer and the Seller substantially in the form of Exhibit C hereto.

"Series E Preferred Stock Purchase Agreement" means that certain stock purchase agreement entered into in connection with the Transactions by and among the Buyer and certain of the stockholders of the Seller dated as of the date hereof.

"Software Products" means any computer software products which are, or may potentially be, sold, distributed or marketed by the Seller, other than Off-the-Shelf Software, including all computer operating, security or programming software, that is owned by or licensed to the Seller or used, in whole or in part, directly or indirectly, or has been developed or designed for or is in the process of being developed or designed for use, in whole or in part, directly or indirectly, in the conduct of the Business of any nature whatsoever, including all systems software, all application software, whether for general business usage (e.g., accounting, finance, word processing, graphics, spreadsheet analysis, etc.) or specific, unique-to-the-Business usage (e.g., telephone call processing, etc.), and any and all documentation and object and source codes related thereto.

"Subsidiary" means any corporation (or other entity) with respect to which a specified Person or a Subsidiary thereof owns a majority of the common stock (or analogous equity interest, as applicable) or has the power to vote or direct the voting of sufficient securities to elect a majority of members of the board of directors (or analogous governing body, as applicable).

"System" means any combination of any software, Software Product, Custom Software, Hardware or Database.

"Tax(es)" means all taxes, duties, charges, fees, levies or other assessments imposed by any taxing authority including income, gross receipts, value-added, excise, withholding, personal property,

real estate, sale, use, ad valorem, license, lease, service, severance, stamp, transfer, payroll, employment, customs, duties, alternative, add-on minimum, estimated and franchise taxes (including any interest, penalties or additions attributable to or imposed on or with respect to any such assessment).

"Tax Return" means any return, declaration, report, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Trade Secrets" means any know-how, trade secrets, formulae, specifications, technical information, data, process technology, plans, drawings (including engineering and a uto-cad drawings), proprietary information, blue prints and all documentation related to any of the foregoing, owned, used or licensed by the Seller in connection with the conduct of the Business, except for any such item that is generally available to the public.

"Trademarks" means any registered trademarks, registered service marks, trademark and service mark applications and unregistered trademarks and service marks, brand names, certification marks, trade names, logos, trade dress, and all goodwill associated with the foregoing throughout the world and registrations in any jurisdictions of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application, owned, used or licensed by the Seller in connection with the conduct of the Business.

"Transaction Documents" means this Agreement, the Bill of Sale, Assignment and Assumption Agreement, the Escrow Agreement, Series E Preferred Stock Purchase Agreement, the Side Letter and any and all other documents as may reasonably be required to be executed in connection with the Transaction.

"Transaction" means the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities at the Closing and the other transactions contemplated by the Transaction Documents.

"Transferred Employee" means an employee of the Seller who accepts and commences employment with the Buyer as of the Closing Date.

"U.S." means the United States of America.

2. Sale and Purchase.

2.1 Agreement to Sell and Purchase.

(a) The Seller hereby grants, sells, conveys, assigns, transfers and delivers to the Buyer, and the Buyer hereby purchases from the Seller, all right, title and interest of the Seller in and to all of the assets, properties, and rights of every kind, and description, real, personal and mixed, tangible and intangible wherever situated constituting or used in the Business on the Closing Date (the "Purchased Assets") free and clear of all Encumbrances. The Purchased Assets do not include the Excluded Assets and include, but are not limited to, the assets listed on Schedule 2.1 and as follows:

- (i) all Accounts Receivable;
- (ii) all Inventory;
- (iii) all Real Property, including all structures located thereon or related

- (iv) all furniture, fixtures, equipment, machinery, vehicles, telephone and communications systems, servers and other computers, facsimile machines, supplies and other tangible personal property of the Seller including all office supplies;
 - (v) all work-in-progress in whatever state or form;
 - (vi) all customer, client, supplier and vendor lists, records, files, strategic and marketing plans, internal documentation, policies and procedures, computer data and other information relating to the Seller regardless of the form or medium in which maintained;
 - (vii) all yellow page listings, other telephone listings and telephone and facsimile numbers for the Seller;
 - (viii) all goodwill associated with the Seller;
 - (ix) all Intellectual Property (including documentation and related object and source codes in the possession of the Seller);
 - (x) all rights under the Leases, the Non-Real Estate Leases, any Governmental Permits, prepaid expenses;
 - (xi) all warranties associated with any of the foregoing;
 - (xii) all the assets of the Seller, whether or not otherwise described in this Section 2.1(a), as set forth on the Closing Balance Sheet and those assets of the Seller whose ownership by the Seller is implied by the assumptions made in the preparation of the Closing Balance Sheet; and
 - (xiii) all rights under any Contracts (including insurance policies) specifically identified as assumed Contracts on Schedule 4.15 or Schedule 8.1; except for the Non-Assignable Contracts to the extent specified in Section 2.7.
- (b) Notwithstanding the foregoing, the Purchased Assets shall not include any of the following (the "Excluded Assets"):
- (i) the corporate charter, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, all cash, cash equivalents, cash accounts, Tax Returns and tax records, stock transfer books, blank stock certificates and other documents relating to the organization, maintenance and existence of the Seller as a corporation;
 - (ii) any rights of the Seller under this Agreement and any agreement or document delivered by the Buyer to the Seller in connection herewith (or under any side agreement between the Seller on the one hand and the Buyer on the other hand entered into on or after the date of this Agreement; and
 - (iii) all rights under any Contracts specifically identified as unassumed Contracts on Schedule 4.15.

2.2 Purchase Price.

- (a) In consideration of the sale of the Purchased Assets to the Buyer and the assumption by the Buyer of the Assumed Liabilities, the Buyer shall issue to the Seller a number of the Buyer's equity securities and warrants equal to seventeen percent (17%) of the Buyer's outstanding equity

securities, calculated on a fully-diluted as converted basis after taking into account the Closing Shares and Escrow Shares and excluding the Buyer's capital securities presently reserved for issuance under the Buyer's 1999 Equity Compensation Plan and the Buyer's 2001 Equity Compensation Plan (the "Consideration"). The Consideration has an agreed-upon fair market value of \$6,561,129 (the "Purchase Price"). The Consideration shall be comprised of: (i) shares of the Buyer's equity securities and warrants to purchase equity securities and warrants to be delivered at Closing as set forth on **Schedule 2.2(b)(i)** (the "Closing Shares"); and (ii) shares of the Buyer's equity securities and warrants to be delivered to the Escrow Agent in accordance with the terms and conditions of the Escrow Agreement as set forth on **Schedule 2.2(b)(ii)** (the "Escrow Shares"), subject to any adjustments made pursuant to **Section 2.6**.

(b) The Buyer shall remit the Consideration as set forth below:

- (i) at the Closing, the Buyer shall issue to the Seller the Closing Shares;
- (ii) at the Closing, the Buyer shall deposit the Escrow Shares with the Escrow Agent in accordance with the Escrow Agreement; and
- (iii) after the determination of the Closing Net Working Capital (as defined below), the Buyer shall issue to the Seller additional shares of Series E Preferred Stock in connection therewith, if any.

2.3 Transfer Taxes. At the Closing, the number of Closing Shares issuable to the Seller shall be reduced to reflect the Seller's share of any transfer taxes, as set forth in **Section 8.2** as follows: the number of shares of Series E Preferred Stock issuable to the Seller in connection with the delivery of the Closing Shares shall be reduced by an amount calculated by dividing the Seller's share of any transfer taxes, as set forth in **Section 8.2** by the Series E Price.

2.4 Allocation of the Purchase Price.

(a) The Purchase Price shall be allocated among the Purchased Assets and the Non-Competition covenant set forth in **Section 6.1** as set forth below:

Purchased Assets	\$6,511,129
Non-Competition Covenant	\$50,000

(b) The portion of the Purchase Price to be allocated to the Purchased Assets shall be allocated among the Purchased Assets as determined by the Parties pursuant to an allocation schedule prepared and delivered by the Buyer to the Seller in accordance with section 1060 of the Code and the regulations adopted thereunder (and any similar provisions of state, local, or foreign law), which allocation schedule is set forth on **Schedule 2.4** and which allocation shall be binding on the Parties. Neither the Seller nor the Buyer will take a position on any income Tax Return, before any governmental agency charged with the collection of any income tax, or in any judicial proceeding that is in any way inconsistent with the allocation described in this **Section 2.4** without the prior written consent of the other Party, and the Seller and the Buyer shall report and file Tax Returns (including but not limited to IRS Form 8594) in a manner consistent with such allocation.

2.5 Assumption of Liabilities.

(a) At the Closing, the Buyer shall assume and agree to pay, discharge or perform in accordance with their terms, only the Liabilities of the Seller specifically identified below in this **Section 2.5(a)** (the "Assumed Liabilities"):

(i) any obligations solely under supplier, customer or other third party Contracts relating to the operation of the Business and as specifically identified as assumed Contracts on Schedule 4.15;

(ii) accounts payable included on Schedule 2.5(a)(ii);

(iii) any Liabilities of the Seller arising or incurred in connection with the negotiation, preparation and execution of this Agreement and the Transaction in an amount not in excess of \$101,025;

(iv) any Liabilities in respect of revenue received by the Seller prior to the Closing and required to be deferred under GAAP;

(v) any Liabilities arising after the Closing Date with respect to the Benefit Plans set forth on Schedule 8.1;

(vi) any Liabilities relating to the continuation coverage described in Section 8.5, and

(vii) for those individuals who commence employment with the Buyer as of the Closing, any Liabilities included in the Closing Balance Sheet, relating to (A) commissions for the month of June, 2003 and subsequent months, and (B) outstanding accrued but unused vacation.

(b) Notwithstanding any other provision of this Agreement, the Buyer is not assuming under this Agreement or any other Transaction Document any Liability that is not specifically identified as an Assumed Liability under Section 2.5(a), including any of the following (each, an "Unassumed Liability"):

(i) Liabilities arising out of any Default by the Seller on or prior to the Closing of any provision of any Contract;

(ii) any product liability or similar claim for injury to any Person or property, regardless of when made or asserted, that arises out of or is based upon any express or implied representation, warranty, agreement or guarantee made by the Seller, or alleged to have been made by the Seller, or that is imposed or asserted to be imposed by operation of law in connection with any service performed or product sold or leased by or on behalf of the Seller on or prior to the Closing;

(iii) (A) any Liability for federal, state or local income or other Tax payable with respect to the Business, the Purchased Assets, or other properties or operations of the Seller or any member of any affiliated group of which the Seller is or was a member and (B) except with respect to certain transfer Taxes as provided in Section 8.2 hereof, any Liability for income, transfer, sales, use, and other Taxes arising in connection with the consummation of the Transaction contemplated hereby (including any income Taxes arising from the Seller's transfer of the Purchased Assets);

(iv) any Liabilities under or in connection with any Excluded Assets;

(v) any Liabilities arising on or prior to the Closing Date or as a result of the Closing for severance, bonuses or any other form of compensation to any employees, directors, agents or independent contractors of the Seller, whether or not employed by the Buyer after the Closing and whether or not arising or under any applicable Law, Benefit Plan or other arrangement with respect thereto except as specifically set forth in Section 2.5(a)(v), (vi) or (vii);

(vi) any Environmental Liability arising from or related to circumstances existing on or before the Closing Date;

(vii) Liabilities arising from or related to any Contracts as to which a Seller Required Consent has not been obtained by the Closing Date regardless of whether the Buyer waives delivery of such the Seller Required Consent;

(viii) any Liabilities to give credits or take other remedial actions for defective goods or services sold on or prior to the Closing Date;

(ix) any Liabilities for money borrowed;

(x) any Liability of the Seller based upon an act or omission of the Seller after the Closing;

(xi) any Liabilities arising out of the Benefit Plans (except for such Liabilities explicitly assumed by the Buyer as set forth in Section 2.5(a)(v), (vi) or (vii));

(xii) any Liabilities, arising on or prior to the Closing Date, related to the claims by Software Management, Inc. and Target Corporation, a Delaware corporation, that the Seller has infringed the respective intellectual property rights of such entities;

(xiii) any Liabilities, arising out of, related to or resulting from the Connecticut Tax Audit; and

(xiv) any other Liabilities, arising on or prior to the Closing Date regardless of when made or asserted, that are not specifically assumed hereunder.

2.6 Post-Closing Purchase Price Adjustment.

(a) The Purchase Price shall be increased or decreased on a dollar-for-dollar basis to the extent that the Net Working Capital on the Closing Date (the "Closing Net Working Capital") is greater than or less than \$0 (the "Net Working Capital Target"). Within 90 days after the Closing Date, the Buyer shall, or shall cause its accountants to, prepare a statement of the balance sheet of the Seller as of the Closing Date (the "Closing Balance Sheet") and the statement of the Closing Net Working Capital (the "Net Working Capital Statement") in accordance with GAAP as of the Closing Date without giving effect to the Closing and assuming that the Closing Date is the last day of the Seller's fiscal year end. Within 10 days of the completion of the Net Working Capital Statement, the Buyer shall give the Seller a copy of the Net Working Capital Statement, together with a notice (the "Net Working Capital Notice") stating whether, and to what extent, the Purchase Price is to be adjusted under this Section 2.6. Such adjustment shall be effected as follows:

(i) if the Closing Net Working Capital is equal to or greater than the Net Working Capital Target (the "Net Working Capital Increase"), then the Purchase Price shall be increased by such amount, and the Buyer shall issue that number of additional whole shares of Series E Preferred Stock calculated by dividing the Closing Net Working Capital by \$4.0961 (the "Series E Price"); or

(ii) if the Closing Net Working Capital is less than the Net Working Capital Target (the "Net Working Capital Deficiency"), then the Purchase Price shall be decreased by such amount, and the number of whole shares of Series E Preferred Stock included in the Escrow Shares shall be reduced by that number of whole shares of Series E Preferred Stock calculated by dividing the Net Working Capital Deficiency by the Series E Price.

Within 30 days of receipt of the Net Working Capital Notice, or, in the alternative, within 30 days of the final resolution of any dispute concerning the Net Working Capital Statement: (a) if there is a Net Working Capital Increase, then the Buyer shall issue a number of whole shares of the Series E Preferred Stock calculated as described in Section 2.6(a)(i); and (b) if there is a Net Working Capital Deficiency, then the number of whole shares of Series E Preferred Stock included in the Escrow Shares shall be reduced as described in Section 2.6(a)(ii).

(b) The Seller may dispute the Net Working Capital Statement in the following manner. Within 10 days after the Seller's receipt of Net Working Capital Notice, the Seller shall give the Buyer notice of any disagreement with the Net Working Capital Statement (the "Dispute Notice"), and such notice shall specify in detail the nature of the disagreement. During the 20 days after the day on which any Dispute Notice is given, the Buyer and the Seller shall attempt to resolve such dispute in good faith. If the Parties fail to reach a written agreement regarding the dispute, the Buyer and the Seller shall refer the matter to a mutually acceptable and nationally recognized firm of certified independent accountants (the "Accounting Firm"), and request the Accounting Firm to determine the Closing Net Working Capital. The Closing Net Working Capital determined by the Accounting Firm shall be the final and binding Closing Net Working Capital for the purposes of determining any adjustment to the Purchase Price. The reasonable fees and expenses of the Accounting Firm shall be paid by the Seller unless the determination by the Accounting Firm results in an increase of the amount payable to the Seller of more than \$20,000, in which case such fees and expenses shall be paid by the Buyer.

(c) Any rights accruing to any Party under this Section 2.6 shall be in addition to and independent of the rights to indemnification under Section 9 and any payments made to any Party under this Section 2.6 shall not be subject to the requirements of Section 9.

2.7 Consent of Third Parties. Nothing in this Agreement shall be construed as an attempt by the Seller to assign to the Buyer pursuant to this Agreement any Contract, permit, franchise, claim or asset included in the Purchased Assets that is by its terms or by law nonassignable without the consent of any other party or parties, unless such consent or approval shall have been given, or as to which all the remedies for the enforcement thereof available to the Seller would not by law pass to the Buyer as an incident of the assignments provided for by this Agreement (a "Non-Assignable Contract"). To the extent that any Seller Required Consent in respect of, or a novation of, a Non-Assignable Contract shall not have been obtained on or before the Closing Date, the Buyer may elect to proceed with the Closing, in which case, the Seller shall continue to use reasonable efforts to obtain any such Seller Required Consent or novation after the Closing Date until such time as it shall have been obtained, and the Seller shall cooperate with the Buyer in any economically feasible arrangement to provide that the Buyer shall receive the interest of the Seller in the benefits under such Non-Assignable Contract, including performance by the Seller as agent if economically feasible, provided that the Buyer shall undertake to pay or satisfy the corresponding Liabilities under the terms of such Non-Assignable Contract to the extent that the Buyer would have been responsible therefor if such consent or approval had been obtained. The Seller shall pay and discharge, and shall indemnify and hold harmless the Buyer and its Affiliates from and against, any and all out-of-pocket costs of seeking to obtain or obtaining any such Seller Required Consent whether before or after the Closing Date, provided, however, that this obligation shall be subject to the Threshold Amount as set forth in Section 9.4(a). Nothing contained in this Section 2.7 or elsewhere in this Agreement shall be deemed a waiver by the Buyer of its right to have received on the Closing Date an effective assignment of all of the Purchased Assets or of the covenant of the Seller to obtain all of the Seller Required Consents, nor shall this Section 2.7 or any other provision of this Agreement be deemed to constitute an agreement to exclude from the Purchased Assets any Contracts as to which a Seller Required Consent may be necessary.

2.8 Additional Issuances.

(a) As a protection to the Seller against the existence of issued shares or other securities of the Buyer not disclosed in Section 5.4, in the event that at any time the representations and warranties set forth in Section 5.4 are determined not to have been true as of the Closing, such that the number of the Buyer's equity securities and warrants issued to the Seller at the Closing does not equal seventeen percent (17%) of the Buyer's outstanding equity securities, calculated as set forth in Section 2.2(a), the Company shall issue to the Seller at no cost to the Seller, a number of its securities, such that the number of the Buyer's equity securities and warrants issued to the Seller at the Closing does equal seventeen percent (17%) of the Buyer's equity securities, calculated as set forth in Section 2.2(a) as of the Closing Date.

(b) Any additional securities issued to the Seller pursuant to this Section 2.8 shall be treated as if they were issued on the date hereof and shall reflect any dividends or other distributions which would have accrued or have been payable with respect to, and the application of any anti-dilution, ratable treatment or similar provisions (as set forth in the Restated Charter, applicable Law or otherwise) which would have been applicable to such securities had they been issued on the date hereof.

(c) In connection with any issuance pursuant to Section 2.8, the Buyer shall reserve a sufficient number of shares of its common stock for issuance to the Seller upon the conversion or exercise, as applicable, of such securities so issued. Any securities issued to the Seller pursuant to this Section 2.8 shall, when issued, be validly issued and fully paid and nonassessable with no personal liability attaching to the holder hereof.

3. Closing

3.1. Location, Date. The closing for the Transaction (the "Closing") shall be held at the offices of Morgan, Lewis & Bockius LLP in Philadelphia, Pennsylvania, at 10:00 a.m. (local time) on the date hereof, unless the Parties agree in writing to another date or place. The date on which the Closing occurs is referred to herein as the "Closing Date."

3.2. Deliveries. At the Closing, subject to the terms and conditions contained herein:

- (a) the Seller shall deliver to the Buyer the following items:
 - (i) a duly executed Bill of Sale, Assignment and Assumption Agreement;
 - (ii) a duly executed counterpart to the Escrow Agreement;
 - (iii) a duly executed counterpart to the Series E Preferred Stock Purchase Agreement executed by those certain stockholders of the Seller identified in such agreement;
 - (iv) executed releases of any Encumbrance identified on Schedule 4.6 in forms reasonably satisfactory to the Buyer;
 - (v) a certificate of the Secretary of the Seller certifying the following: (A) the Charter Documents and bylaws of the Seller, (B) the resolutions of the Seller's Board of Directors and stockholders authorizing the execution and delivery of the Transaction Documents; and (C) the incumbency of the Secretary and executive officer of the Seller executing the Transaction Documents;
 - (vi) all the Seller Required Consents (or in lieu thereof waivers) with such the Seller Required Consents (or in lieu thereof, waivers) (A) in form and substance reasonably satisfactory to the Buyer, (B) not subject to the satisfaction of any condition that has not been satisfied or waived and (C) in full force and effect, except where the failure to obtain any such consent (or in lieu thereof, waiver)

could not reasonably be expected, individually or in the aggregate with other such failures, to have a Material Adverse Effect;

(vii) an opinion of counsel to the Seller dated as of the Closing Date in form and substance reasonably acceptable to the Buyer and its counsel;

(viii) an affidavit dated as of the Closing Date, stating that Seller is not a "foreign person" as defined in Section 1445 of the Code;

(ix) such other instruments of conveyance and transfer, in form reasonably satisfactory to the Buyer and its counsel, as shall be necessary and effective to transfer and assign to and vest in the Buyer all of the Seller's right, title and interest in and to the Purchased Assets. Simultaneously with such deliveries, all such steps will be taken by the Seller as may be required to put the Buyer in actual possession and operating control of the Purchased Assets; and

(x) a duly executed counterpart to the Side Letter.

(b) the Buyer shall deliver to the Seller:

(i) a duly executed Bill of Sale, Assignment and Assumption Agreement;

(ii) a duly executed counterpart to the Escrow Agreement;

(iii) a duly executed counterpart to the Series E Preferred Stock Purchase

Agreement; and

(iv) a certificate of the Secretary of the Buyer certifying the following: (A) the Charter Document and Bylaws of the Buyer; (B) the resolutions of the Buyer's Board of Directors authorizing the execution and delivery of the Transaction Documents; and (C) the incumbency of the executive officer of the Buyer executing the Transaction Documents;

(v) an opinion of counsel to the Buyer, dated as of the Closing Date in form and substance reasonably acceptable to the Seller and its counsel; and

(vi) a duly executed counterpart to the Side Letter.

(c) The Buyer shall deliver the Closing Shares to the Seller and the Escrow Shares to the Escrow Agent in accordance with Section 2.2(b); and

(d) The Parties shall also deliver to each other the respective agreements, and other documents and instruments in addition to good standing certificates, certified resolutions, cross receipts and such other items as may be reasonably requested in connection with the consummation of the transactions as contemplated hereby.

Representations and Warranties with Respect to the Seller.

The Seller hereby represents and warrants to the Buyer as of the Closing Date as follows:

Corporate Status. The Seller is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it was incorporated and is duly qualified or licensed to do business as a foreign corporation in any jurisdiction where the ownership of the Purchased Assets or the operation of the Business would require it to be so qualified or licensed except where the failure to be so qualified or licensed would not have a Material Adverse Effect.

4.2 Authorization. The Seller has the requisite power and authority to (a) own the Purchased Assets, (b) carry on the Business, (c) execute and deliver the Transaction Documents to which it is or will be a party, and (d) perform its obligations under the Transaction Documents to which it is or will be a party. The execution, delivery and performance by the Seller of the Transaction Documents has been duly authorized by all necessary action, including approval by the stockholders of the Seller. The Seller has the requisite power and authority to (a) execute and deliver the Transaction Documents to which it is or will be a party and (b) perform its obligations under the Transaction Documents to which it is or will be a party. Each Transaction Document executed and delivered by the Seller has been duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms except to the extent that enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and other laws affecting the enforcement of creditors' rights generally and by general principles of equity.

4.3 Consents and Approvals. Except for any notices, filings, consents or approvals specified in Schedule 4.3 (collectively, the "Seller Required Consents"), neither the execution and delivery by the Seller of the Transaction Documents to which it is a party, nor the performance of its obligations under the Transaction Documents to which it is or will be a party, require any notice filing, consent, renegotiation or approval, constitute a Default, cause any payment obligation to arise or give any Person the right to challenge the Transaction under (a) any Law or Court Order to which the Seller is subject, (b) the Charter Documents or bylaws of the Seller or (c) any Contract, Governmental Permit or other document to which the Seller is a party or by which the Business or other Purchased Assets of the Seller may be bound.

4.4 Stock Ownership. Schedule 4.4 sets forth the record and beneficial owners of all of the issued and outstanding shares of capital stock of the Seller.

4.5 Financial Statements. The Seller has delivered to the Buyer correct and complete copies of the unaudited balance sheet of the Seller for the Business at December 31, 2001 and 2002 and the related statements of income and cash flows for the years then ended and unaudited financial statements for 2003 and for the six-month period ended June 30, 2003. All such financial statements are referred to herein collectively as the "Financial Statements." The Financial Statements are consistent in all material respects with the books and records of the Seller, and there have not been any material transactions that have not been recorded in the accounting records underlying such financial statements. The Financial Statements have been prepared in accordance with GAAP consistently applied, except that they lack footnotes and normal recurring year-end adjustments. Financial Statements fairly present the financial position and Assets and Liabilities of the Business as of the dates thereof, and the results of operations for the periods then ended, subject to normal recurring year-end adjustments. The balance sheet of the Seller as of June 30, 2003 that is included in the Financial Statements is referred to herein as the "Balance Sheet," and the date thereof is referred to as the "Balance Sheet Date."

4.6 Title to Purchased Assets and Related Matters. Except as otherwise set forth in Sections 4.7 and 4.17, the Seller has good and marketable title to, valid leasehold interests in or valid licenses to use of, all of the Purchased Assets, free from any Encumbrances except those specified in Schedule 4.6. The title to the Purchased Assets (other than Real Property) is not subject to any Encumbrances, and to the best of the Seller's knowledge, such use does not encroach on the property or rights of any Person. The Purchased Assets, taken as a whole, constitute all the properties and assets relating to or used or held for use in connection with the Business during the past 12 months (except for the Excluded Assets, Inventory sold, Accounts Receivable collected, prepaid expenses realized, Contracts fully performed and properties or services replaced by equivalent or superior assets, in each case in the ordinary course of business). The Purchased Assets constitute all of the assets and services reasonably required for the continued operation of the Business by the Buyer as operated by the Seller prior to the Closing. Except for the Excluded

Assets or as contemplated by Section 2.7 hereof, there are no assets or properties used in the operation of the Business that are owned by any Person other than the Seller that will not be licensed or leased to the Buyer under valid, current license arrangements or leases.

4.7 Real Property.

(a) Schedule 4.7(a)(i) contains a list of all Real Property (including street address) and lists any Contracts (the "Real Estate Leases") under which any such Real Property is occupied or used by Seller or in the operation of the Business, current, true and complete copies of which have been previously delivered or made available to Buyer. Schedule 4.7(a)(ii) accurately describes any other real estate previously owned, leased, operated or otherwise used by Seller or any predecessor or Affiliate thereof in the operation of the Business, and the time periods of any such ownership, lease, operation or use.

(b) Except as set forth in Schedule 4.7(b):

(i) each Real Estate Lease is in full force and effect and neither the Seller, nor to the Seller's knowledge, any other party under any such Real Estate Lease is in Default under any such Real Estate Lease;

(ii) to the Seller's knowledge, Seller has good and valid rights of physical and legal ingress and egress to and from the Real Property from and to the public systems for all usual street, road and utility purposes and, to the Seller's knowledge, no conditions exist that would result in the termination of such ingress and egress;

(iii) all water, sewer, gas, electric, telephone, communications and drainage facilities, and all other utilities required by any applicable Law or by the use and operation of the Real Property in the operation of the Business are installed to the Real Property, to the Seller's knowledge, are connected pursuant to valid permits to municipal or public or other utility services or proper drainage facilities, are adequate to service the Real Property in the operation of the Business as currently conducted; and

(iv) to the Seller's knowledge, the Real Property and its continued use, occupancy and operation as used, occupied and operated is in compliance with all applicable Laws, does not constitute a nonconforming use and is not the subject of a special use permit under any applicable Law.

4.8 Certain Personal Property. Schedule 4.8 is a complete schedule of all fixed assets, describing all items of tangible personal property that were included in the Balance Sheet with an original cost to the Seller in excess of \$1,000. Except as specified in Schedule 4.8, since the Balance Sheet Date, the Seller has not acquired any items of tangible personal property that have a carrying value in excess of \$2,000 individually or \$75,000 in the aggregate. All of such personal property included in Schedule 4.8 and any such personal property acquired after the date hereof in accordance with Section 6.1 will be, used in the ordinary course of business, and conforms and will conform in all material respects with any applicable Laws relating to its construction, use and operation. Except for those items subject to the Non-Real Estate Leases, no Person other than the Seller owns any vehicles, equipment or other tangible assets used on the Real Property that have been used in the Business or that are necessary for the operation of the Business. The Purchased Assets that are personal property are suitable for the purposes for which they are currently used or are held for use, and are in good working condition, subject to normal wear and tear.

4.9 Non-Real Estate Leases. Schedule 4.9 lists all assets and property used in the Business (other than Real Property) that are possessed by the Seller under an existing lease, including all trucks, automobiles, forklifts, machinery, equipment, furniture and computers, except for any lease under which the aggregate annual payments are less than \$1,000 (each, an "Immaterial Lease"). Schedule 4.9 also lists the leases under which such assets and property listed in Schedule 4.9 are possessed. All of such leases (excluding Immaterial Leases) are referred to herein as the "Non-Real Estate Leases." Each Non-Real Estate Lease is in full force and effect and has not been assigned, modified, supplemented or amended and neither the Seller, nor to the Seller's knowledge, any other party under any Non-Real Estate Lease is in Default under any such Non-Real Estate Lease, and to the Seller's knowledge, no circumstance or set of circumstances exists which, with the giving of notice or the passage of time, or both, would permit a party to terminate any such Non-Real Estate Lease.

4.10 Inventory. Except as described in Schedule 4.10, the Inventory included in the Purchased Assets consists of items of good, usable and merchantable quality in all material respects and none of such Inventory is damaged or obsolete. Such Inventory is recorded in the Financial Statements in accordance with GAAP at the lower of average cost or market value, and no write-down of such Inventory has been made or should have been made pursuant to GAAP during the past two years.

4.11 Liabilities. The Seller does not have any Liabilities, other than (a) as specified on Schedule 4.11, (b) as specified in the Balance Sheet (except as paid or discharged prior to the Closing Date), (c) Unassumed Liabilities, (d) pursuant to this Agreement, or (e) Liabilities which have arisen after the Balance Sheet Date in the ordinary course of business.

4.12 Taxes. Except as set forth on Schedule 4.12,

(a) the Seller has filed all material Tax Returns that it was required to file in connection with the Business (giving effect to applicable extension periods, if any) since December 31, 1999. All such Tax Returns were correct and complete in all material respects. All Taxes owed by the Seller in connection with the Business (whether or not shown on any Tax Return) have been paid (or properly reserved for, in the case of Taxes not yet due and payable). The Seller currently is not the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made in writing to the Seller since December 31, 1999, by an authority in a jurisdiction where the Seller does not file Tax Returns that the Seller is or may be subject to taxation by that jurisdiction. There are no liens for Taxes on any of the Purchased Assets or with respect to the Business. All applicable statute of limitations with respect to Taxes for all periods ending on or prior to December 31, 1999 have expired.

(b) the Seller has properly withheld and timely paid over to the proper taxing authority all Taxes required to have been withheld and paid in connection with the Business and with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party affiliated with the Business and has complied with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto in connection with any amounts paid to any employee, independent contractor, creditor, or third party affiliated with the Business.

(c) to the Seller's knowledge, no taxing authority is reasonably likely to assess any Taxes against the Seller for any period for which Tax Returns relating to the Business have been filed. There is no dispute or claim concerning any Tax Liability of the Seller relating to the Business that is claimed or raised by any authority in writing or (ii) as to which any directors and officers (and any other persons responsible for Tax matters) of the Seller has any knowledge.

(d) the Seller has not waived any statute of limitations in respect to Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency.

(e) the Seller has disclosed on its federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax relating to the Business within the meaning of Section 6662 of the Code. The Seller is not a party to any Tax allocation, Tax sharing, Tax indemnification or similar agreement.

4.13 Subsidiaries. Except as set forth on **Schedule 4.13**, the Seller does not own, directly or indirectly, any interest or investment (whether equity or debt) in any Person.

4.14 Legal Proceedings and Compliance with Law.

(a) Except as set forth in **Schedule 4.14(a)**, there is no Litigation that is pending or, to the Seller's knowledge, threatened against the Seller (i) involving, directly or indirectly, the Business or the Purchased Assets or (ii) seeking to prevent or challenge the Transaction. The Seller has complied with all applicable Laws, including Environmental Laws, applicable to the Business or any Purchased Asset other than those the violation of which would not reasonably be expected to result in aggregate fines, penalties and costs to achieve compliance in excess of \$5,000. Neither the Seller nor any of its Affiliates has received any notices from any governmental entity regarding any alleged Defaults applicable to the Seller or any Purchased Asset under any Laws. There has been no Default with respect to any Court Order applicable to the Seller or any Purchased Asset.

(b) Without limiting the generality of **Schedule 4.14(a)**, except as described in **Schedule 4.14(b)**, the Seller does not have knowledge of any Environmental Condition (i) at the premises at which the Business has been conducted by the Seller, any Affiliate thereof or any predecessor, (ii) at any property owned, leased or operated at any time by the Seller, any Person controlled by the Seller or any predecessor or (iii) at any property at which wastes have been deposited or disposed by or at the behest or direction of any of the foregoing, nor has the Seller received written notice of any such Environmental Condition. As used in this Agreement, "Environmental Condition" means any condition or circumstance, including a Release or the presence of Hazardous Substances, whether created by the Seller or any third party, at or relating to any such property or premises specified in any of clauses (i) through (iii) of this paragraph (b) that does or could reasonably be expected to (A) require abatement or correction under an Environmental Law, (B) give rise to any civil or criminal liability on the part of the Seller under an Environmental Law, or (C) create a public or private nuisance.

(c) the Seller has delivered or made available to the Buyer complete copies of any written reports, studies or assessments in the possession or control of the Seller that relate to any Environmental Condition. **Schedule 4.14(c)** identifies any other reports, studies or assessments that relate to any Environmental Condition of which the Seller has knowledge.

(d) the Seller has obtained and is in compliance in all material respects with all Governmental Permits relating to the Business or any Purchased Asset, all of which are listed in **Schedule 4.14(d)** along with their respective expiration dates, that are required for the operation of the Business as currently operated. All of such Governmental Permits are currently valid and in full force and the Seller has filed such timely and complete renewal applications as may be required with respect to such Governmental Permits. To the knowledge of the Seller, no revocation, cancellation or withdrawal of any such Governmental Permits has been threatened.

4.15 Contracts.

(a) **Schedule 4.15** lists all Contracts of the following types to which a Seller is a party or by which it is bound (such Contracts are disclosed on **Schedule 4.15** under a sub heading corresponding to the subsection of this **Schedule 4.15** to which such disclosure is applicable and such disclosure sets forth the names of the parties thereto and the date thereof):

(i) Contracts with any present or former stockholder, director, officer, employee, partner or consultant of the Seller or any of its Affiliates;

(ii) Contracts for the future purchase of, or payment for, supplies or products, or for the lease of any real or personal property from or the performance of services by a third party, or any Contracts for the sale of products with respect to any one supplier or other party;

(iii) Contracts to sell or supply products or to perform services;

(iv) Contracts to lease to or to operate for any other party any real or personal property;

(v) any material license, franchise, distributorship, sales agency or other arrangements, including those that relate in whole or in part to any software technical assistance or other know-how used by the Seller in the past 12 months;

(vi) any notes, debentures, bonds, conditional sale Contracts, equipment trust Contracts, letter of credit agreements, reimbursement Contracts, loan Contracts or other Contracts for the borrowing or lending of money (including loans to or from officers, directors, partners, stockholders or Affiliates of the Seller or any members of their immediate families), Contracts or arrangements for a line of credit or for a guarantee of, or other undertaking in connection with, the indebtedness of any other Person;

(vii) Contracts for any capital expenditure or leasehold improvements;

(viii) any Contracts under which any Encumbrance exists; and

(ix) any other Contracts (other than Minor Contracts and those described in any of (i) through (ix) above) not made in the ordinary course of business.

(b) The Seller has delivered or made available to the Buyer complete and correct copies of all written Contracts, together with all amendments, supplements or modifications thereto, and accurate descriptions of all material terms of all oral Contracts, set forth or required to be set forth on Schedule 4.15.

(c) The Contracts required to be listed on Schedule 4.15 are referred to herein as the "Seller Contracts." The Seller is not in Default under any Seller Contracts (including any Real Estate Leases and Non-Real Estate Leases), which Default could result in a Liability on the part of the Seller in excess of \$5,000 in any individual case, and the aggregate Liabilities that could result from all such Defaults do not exceed \$25,000. The Seller has not received any written communication from, or given any written communication to, any other party indicating that the Seller or such other party, as the case may be, is in Default under any Seller Contract. To the knowledge of each Seller, (i) none of the other parties to any such Seller Contract is in Default thereunder and (ii) each such Seller Contract is enforceable against any other parties thereto in accordance with the terms thereof. There are no pending or attempted renegotiations or outstanding rights to renegotiate any amounts exceeding in any individual case \$5,000 or \$25,000 in the aggregate paid or payable to the Seller under current or proposed Seller Contracts with any Person having the contractual or statutory right to demand or require performance thereunder and, to the Seller's knowledge, no such Person has made any demand for such performance.

4.16 Intellectual Property.

(a) Contracts.

(i) **Schedule 4.16(a)(i)** contains a complete and accurate list of all Contracts relating to the Intellectual Property to which the Seller is a party or by which the Seller is bound, except for any license implied by the sale of a product and perpetual, paid-up royalty free license rights for "off-the-shelf" third party application software licensed for use in the Business, in any individual case, under a license with a maximum payment obligation on the part of the Seller of less than \$10,000 ("Off-the-Shelf Software"). To the Seller's knowledge, there are no outstanding or threatened disputes or disagreements with respect to any such Contract. Except for any rights under written licenses or other written Contracts related to the Intellectual Property, no current or former employee of the Seller and to the Seller's knowledge, no other Person owns or has any proprietary, financial or other interest, direct or indirect, in whole or in part, and including any right to royalties or other compensation, in any of the Intellectual Property, or in any application therefor.

(ii) All employees and consultants of the Seller or any Affiliate thereof who are involved in the design, review, evaluation or development of the Intellectual Property have executed a nondisclosure and assignment of inventions agreement.

(iii) Except as specified on **Schedule 4.16(a)(iii)**, to the Seller's knowledge, none of the employees or consultants of the Seller is subject to any contractual or legal restrictions that would be reasonably likely to interfere with the use of his or her best efforts to promote the interests of the Business. To the Seller's knowledge, no employee of the Seller or its Subsidiaries has entered into any Contract that restricts or limits in any way the scope or type of work in which the employee may be engaged or requires the employee to transfer, assign or disclose information concerning his or her work to anyone other than the Seller. **Schedule 4.16(a)(iii)** lists all Contracts between or among the Seller, any employee thereof and a third party that imparts or that imparted an obligation of noncompetition, secrecy, confidentiality or non-disclosure upon the Seller, any employee thereof or any third party. Except as described in **Schedule 4.16(a)(iii)**, to the knowledge of the Seller, neither the Seller nor any employee of the Seller is under any obligation of noncompetition, secrecy, confidentiality or non-disclosure to any third party.

(b) Know-How Necessary for the Business.

(i) The Intellectual Property listed on **Schedule 4.16(b)(i)** constitutes all of the Intellectual Property that has been necessary for the operation of the Business during the past 12 months. The Seller has not transferred ownership of, nor granted any exclusive license with respect to, any Intellectual Property that is or was, during the past 12 months material to the Business, to any other Person, or permitted the Seller's rights in such Intellectual Property to lapse or enter the public domain. Except as described on **Schedule 4.17(b)(i)**, the Seller is the owner of all right, title and interest in and to each item of the Intellectual Property, or, in the case of licensed Intellectual Property, has obtained all licenses necessary to freely use and commercially exploit the Intellectual Property, free and clear of any encumbrances, and has the right to use all of the Intellectual Property without payment to a third party. Except as described on **Schedule 4.17(b)(i)**, all Intellectual Property is fully transferable, alienable or assignable by the Buyer without restriction and without payment of any kind to any other Person. Any software included in the Purchased Assets, together with all know-how and processes used in connection therewith, functions as intended, is in machine-readable form, and includes all computer program materials, tapes, know-how, object and source codes and procedures used by the Seller in the operation of the Business.

(ii) No Intellectual Property is subject to any proceeding or outstanding Court Order restricting in any manner the use, transfer, or licensing thereof by the Buyer, or which may adversely affect the validity, use or enforceability of such Intellectual Property. All necessary registration, maintenance and renewal fees currently due in connection with such Intellectual Property have been made and all necessary documents, recordations and certificates in connection with such Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the U.S. or foreign jurisdictions, as the case may be, for the purposes of perfecting and maintaining such Intellectual Property.

(c) Patents.

(i) All of the issued Patents listed on **Schedule 4.16(c)(i)** are currently in compliance with formal legal requirements (including payment of filing, examination, and maintenance fees and proofs of working or use), are valid and enforceable, and are not subject to any maintenance fees or Taxes or actions falling due within 90 days after the Closing Date.

(ii) No Patent has been or is now involved in any interference, reissue, reexamination, or opposition proceeding. No third party has a patent, or to the Seller's knowledge, a patent application which infringes a Patent.

(iii) Except as set forth on **Schedule 4.16(d)(ii)**, no third party has infringed or challenged or threatened to challenge any Patent. The Seller has not been alleged to have infringed, and to the Seller's knowledge, the Seller has not infringed any patent or other proprietary right of any other Person.

(iv) All products made, used or sold under the Patents have been marked with the proper patent notice.

(d) Trademarks.

(i) All Trademarks listed on **Schedule 4.16(d)(i)** have been registered with the U.S. Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration applications), are valid and enforceable, and are not subject to any maintenance fees or Taxes or actions falling due within 90 days after the Closing Date.

(ii) Except as set forth on **Schedule 4.16(d)(ii)**, no Trademark has been or is now involved in any opposition, invalidation or cancellation and no such action is threatened with respect to any of the Trademarks.

(iii) No third party has a trademark or trademark application which infringes a Trademark.

(iv) No third party has infringed or challenged or threatened to challenge any Trademark. The Seller does not infringe, nor has the Seller been alleged to infringe, any trade name, trademark or service mark of any third party.

(v) All products and materials containing a Trademark bear the proper registration notice where permitted by Law.

(e) Copyrights.

(i) All of the Copyrights listed on Schedule 4.16(e)(i) have been registered and are currently in compliance with formal legal requirements, are valid and enforceable, and are not subject to any maintenance fees or Taxes or actions falling due within 90 days after the date of Closing.

(ii) No third party has infringed or challenged or threatened to challenge any Copyrights. The Seller does not infringe, nor has the Seller been alleged to infringe, any copyright or any third party or is a derivative work based on the work of a third party.

(iii) All works encompassed by the Copyrights have been marked with the proper copyright notice.

(f) Trade Secrets.

(i) With respect to each Trade Secret listed on Schedule 4.16(f)(i), the documentation relating to such Trade Secret is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual.

(ii) The Seller has taken all reasonable precautions to protect the secrecy, confidentiality and value of the Trade Secrets.

(iii) The Seller has good title and an absolute right to use its Trade Secrets. To the Seller's knowledge, the Trade Secrets have not been used, divulged, or appropriated either for the benefit of any Person (other than the Seller) or to the detriment of the Business. No Trade Secret is subject to any adverse claim and no third party has challenged or threatened the validity of any Trade Secret.

4.17 Employee Relations. The Seller is not (a) a party to, involved in or, to the Seller's knowledge, threatened by, any labor dispute or unfair labor practice charge, or (b) currently negotiating or a party to any collective bargaining agreement. During the last three years, the Seller has not experienced any work stoppage or been a party to any collective bargaining agreement. There are no complaints, charges or claims against the Seller pending, or to the Seller's knowledge, threatened, in writing or orally, to be brought or filed, with any governmental entity or arbitrator based on, arising out of, in connection with, or otherwise relating to, the employment or termination of employment of any individual by the Seller. The Seller (i) is in compliance with all Laws relating to the employment of labor, including all such Laws and orders relating to wages, hours, collective bargaining, discrimination, civil rights, safety and health workers' compensation and the collection and payment of withholding and/or Social Security Taxes and similar Taxes, (ii) has withheld and reported all amounts required by law or by agreement to be withheld and reported with respect to wages, salaries and other payments to employees, directors, agents and independent contractors; (iii) is not liable for any arrears of wages or any Taxes or any material liability for failure to comply with any of the foregoing; and (iv) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any governmental entity, with respect to employment compensation benefits, social security or other benefits or obligations for employees, directors, agents and independent contractors (other than routine payments to be made in the normal course of business and consistent with past practice or as properly accrued on the Seller's financials). There are no pending, or to the knowledge of the Seller, threatened or reasonably anticipated claims or suits of any nature against the Seller under any worker's compensation policy or long-term disability policy. Schedule 4.17 contains a complete and correct list of the names and salaries, bonus and other compensation of all employees (including officers) of the Seller engaged in performing services for whom whose cash compensation for 2002 was at least \$50,000 or who will have a right to receive any

and consideration or other economic benefit as a result of the consummation of the Transaction. The Seller has not violated the Worker Adjustment and Retraining Notification Act, as amended, (the "WARN Act") or a similar applicable Law.

4.18 ERISA.

Schedule 4.18 contains a complete list of each Benefit Plan. Except as set forth on Schedule 4.18:

(a) Each Benefit Plan (and each related trust, insurance contract, or funding arrangement) complies in all material respects in form and operation with the applicable requirements of ERISA and the Code, including, but not limited to, all reporting, disclosure, funding, and fiduciary responsibility requirements, and no condition exists with respect to any such Benefit Plan that could have an adverse effect on, or result in Liability to, the Buyer or any lien upon the Purchased Assets.

(b) The Seller does not sponsor, maintain or contribute to, and has never sponsored, maintained or contributed to, or had any Liability with respect to, any employee benefit plan subject to section 302 of ERISA, section 412 of the Code or Title IV of ERISA. None of the Benefit Plans is a multiemployer plan (as defined in section 3(37) of ERISA). The Seller does not contribute to, and has never contributed to or had any other Liability with respect to, a multiemployer plan.

(c) To the knowledge of the Seller, each Benefit Plan has been maintained in accordance with its terms.

(d) The Seller has not incurred any Liability for any excise, income or other Taxes with respect to any Benefit Plan, and no circumstance exists or has existed that could give rise to any such Liability.

(e) All contributions as well as obligations of the Seller under any Benefit Plan which are due for any period ending on or before the Closing Date have been paid or accrued by the Seller.

(f) Each Benefit Plan intended to constitute a qualified plan under Section 401(a) of the Code is a prototype plan and the prototype sponsor has received a favorable opinion letter from the IRS as to the tax-qualified status of the sponsor's prototype plan document. Seller has taken no actions with respect to such Benefit Plan that would take the Benefit Plan out of prototype status. To the knowledge of the Seller, no circumstance exists or has existed which would cause any Benefit Plan to cease to constitute a qualified plan under Section 401(a) of the Code.

(g) No Benefit Plan provides health or other benefits after an employee's or former employee's retirement or other termination of employment except as required by Section 4980B of the Code. The Seller has complied with all requirements of Section 4980B of the Code and Part 6 of Title I of ERISA with respect to each Benefit Plan, as applicable. All premium payments due with respect to any insured Benefit Plan have been paid by Seller as of the Closing Date and all premium payments due by the Seller from employee compensation or received by the Seller from COBRA qualified beneficiaries have been applied to the payment of such premiums.

(h) There are no actions, suits, claims pending, threatened or reasonably anticipated (other than routine claims for benefits) against any Benefit Plan or against the assets of any Benefit Plan which could reasonably be expected to result in a Liability to the Seller or any Benefit Plan.

(i) The Seller has delivered to, or made available to, the Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent determination letter received from the Internal Revenue Service, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements which implement each such Benefit Plan, in each case, to the extent applicable.

(j) Except as set forth in Section 2.5(a) (v), (vi) or (vii) hereof, as of the Closing Date, the Buyer does not, and shall not, either directly or indirectly, have any obligation or Liability, as a matter of law or otherwise, with respect to any Benefit Plan that was sponsored or maintained by the Seller or to which the Seller contributes or for which the Seller had, or may have, any Liability, contingent or otherwise, either directly or indirectly through an ERISA Affiliate.

4.19 Absence of Certain Changes. Except as contemplated by this Agreement, the Business has been conducted in the ordinary course since the Balance Sheet Date, and there has not been with respect to the Seller since the Balance Sheet Date:

- (a) any change that has had or could reasonably be expected to have a Material Adverse Effect on the Business or the Purchased Assets;
- (b) any distribution or payment declared or made in respect of its capital stock by way of dividends, purchase or redemption of shares or otherwise;
- (c) any increase in the compensation payable or to become payable to any director, officer, employee or agent, except for increases in compensation of employees made in the ordinary course of business consistent with past practices;
- (d) any establishment of or amendment to any retention, severance, change in control or similar Contract with any Person;
- (e) any establishment of, or amendment to, any Benefit Plan;
- (f) any sale, assignment or transfer of assets, or any additions to or transactions involving any assets, other than those made in the ordinary course of business consistent with past practices;
- (g) any mortgage, pledge or the creation of any material Encumbrance on any assets;
- (h) other than in the ordinary course of business, any waiver or release of any claim or right or cancellation of any debt held;
- (i) any lapse of any material right with respect to any of the Intellectual Property;
- (j) any payments to any Affiliate of the Seller, other than wages and reimbursements in the ordinary course of business and consistent with past practices and except as specified in Schedule 4.19; or
- (k) any execution or termination of any Contract outside the ordinary course of business inconsistent with past practices.

4.20 Customers and Suppliers. The Seller has used reasonable business efforts to maintain, and currently maintains, good working relationships with all of the customers and suppliers of the Business. Schedule 4.20 specifies for the year ending December 31, 2002, the names of the respective

customers that were, in the aggregate, the ten largest customers in terms of dollar value of services, sold by the Business. Except as specified on Schedule 4.20, none of such customers has given the Seller written notice terminating, canceling or threatening to terminate or cancel any Contract or relationship with the Seller. Schedule 4.20 also specifies for the year ending December 31, 2002, the names of the suppliers that were, in the aggregate, the ten largest suppliers in terms of dollar value of products or services, or both, used by the Seller. None of such suppliers has given the Seller written notice terminating, canceling or threatening to terminate or cancel any Contract or relationship with the Seller.

4.21 Finder's Fees. No Person retained by the Seller is or will be entitled to any commission or finder's or similar fee in connection with the Transaction.

4.22 Disclosure. No representation or warranty by the Seller in any Transaction Document, and no information contained therein contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which such statements were made.

4.23 Additional Information. Schedule 4.23 accurately lists the following:

- (a) the names of all officers and directors of the Seller;
- (b) the names of all Persons authorized to borrow money or incur or guarantee indebtedness by or on behalf of the Seller;
- (c) the names of any Persons holding powers of attorney from the Seller and a summary statement of the terms thereof; and
- (d) all names under which the Seller has conducted any part of the Business or that the Seller has otherwise used at any time during the past five years.

4.24 Solvency.

(a) The Seller is not now insolvent and will not be rendered insolvent by the Transaction. As used in this Section, "insolvent" means that the sum of the debts and other probable Liabilities of the Seller exceeds the sum of the present fair saleable value of such Seller's assets and the amount that the stockholders of the Seller have agreed to contribute to the Seller after the Closing pursuant to that certain Note Purchase Agreement, dated as of July 11, 2003 (the "NPA").

(b) Immediately after giving effect to the consummation of the Transaction and taking into account the agreement of the Seller pursuant to the NPA: (i) the Seller will be able to pay its Liabilities as they become due; (ii) the Seller will have assets that exceed its Liabilities; and (iii) taking into account all pending and threatened litigation, final judgments against the Seller in actions for money damages are not reasonably anticipated to be rendered at a time when, or in amounts such that, the Seller will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum probable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered) as well as all other obligations of the Seller. The cash available to the Seller, after taking into account all other anticipated uses of the cash, will be sufficient to pay all such judgments and judgments promptly in accordance with their terms.

4.25 Limitation. Notwithstanding any provision to the contrary contained in this Agreement, the Seller makes no representation or warranty of merchantability or fitness for a particular purpose with respect to any or all of the Purchased Assets. Neither Seller nor any other Person acting on behalf of

Seller makes any representation or warranty, express or implied, concerning the Purchased Assets, the Seller, the Business or any other matter other than as set forth in this Agreement.

5. Representations and Warranties with Respect to the Buyer.

Except as set forth on the Disclosure Schedules specifically identifying the subparagraph of this Section 5 to which each such exception relates, the Buyer (which term, for purposes of this Section 5, shall mean each of the Buyer, any predecessor in interest of the Buyer including, but limited to, Star-Cite Solutions! LLC, a Delaware limited liability company, RegWeb, LLC, a Delaware limited liability company ("RegWeb"), and SC Acquisition Sub, Inc., a Delaware corporation ("SC")); provided that with respect to Sections 5.4 through 5.7 of this Agreement shall only include the Buyer) hereby represents and warrants to the Seller as of the Closing Date as follows:

5.1 Organization and Standing; Certificate and Bylaws. The Buyer is a corporation duly organized, validly existing under, and by virtue of, the laws of the State of Delaware, and is in good standing under such laws. The Buyer has all requisite corporate power and authority to own and operate its properties and assets, and to carry on its business as presently conducted and as proposed to be conducted. The Buyer is duly qualified and authorized to transact business and is in good standing as a foreign corporation in each jurisdiction in which the failure so to qualify would have a material adverse effect on its business, condition (financial or otherwise), assets, Liabilities or results of operations, taken as a whole (a "Buyer Material Adverse Effect").

5.2 Corporate Power. The Buyer has all requisite legal and corporate power and authority to execute and deliver the Transaction Documents, to file the Restated Charter with the Secretary of State of the State of Delaware and to sell and issue (a) the Closing Shares and Escrow Shares hereunder and to issue the Common Stock (as defined herein) issuable upon conversion or exercise, as the case may be, of the Closing Shares and Escrow Shares (the "Underlying Common Stock") and to carry out and perform its obligations under the terms of this Agreement and the Transaction Documents, contemplated hereby and thereby.

5.3 Subsidiaries.

(a) Other than SC and RegWeb, the Buyer has no subsidiaries or Affiliates and does not otherwise own or control, directly or indirectly, any equity or similar interest or any interest convertible into or exchangeable or exercisable for any equity or similar interest in any corporation, association, partnership, joint venture, or similar arrangement or other business entity.

(b) The authorized capital stock of SC consists of 100 shares of common stock, \$001 par value, of which 100 shares are issued and outstanding and owned by the Buyer. There are no options, warrants, convertible securities or other contracts of any kind, nature or description obligating the Buyer or SC to issue or sell any shares of capital stock of or any other interest in SC. None of the issued and outstanding capital stock of SC was issued in violation of any preemptive rights. There are no outstanding obligations to repurchase, redeem or otherwise acquire any shares of capital stock of the Buyer or SC or to provide funds to, or make any investment in any other person. There are no voting agreements, shareholder agreements, proxies, or other contracts in effect with respect to the voting or transfer of any shares of capital stock of or any other interests in SC.

(c) The authorized capital stock of RegWeb consists of 1,000 Class A units and 514,146 Class B units of ownership interests (after taking into account the Buyer's 10 for 1 reverse stock split) of which 1,000 Class A units are issued and outstanding and owned by the Buyer and 514,146 Class B units are issued and outstanding. Except as set forth on Schedule 5.3, there are no options, warrants, convertible securities or other contracts of any kind, nature or description obligating the Buyer

of RegWeb to issue or sell any units of ownership of or any other interest in RegWeb. None of the issued and outstanding units of ownership of RegWeb was issued in violation of any preemptive rights. There are no outstanding obligations to repurchase, redeem or otherwise acquire any shares of capital stock of the Buyer or RegWeb or to provide funds to or make any investment in any other Person. There are no voting trusts, shareholder agreements, proxies, or other contracts in effect with respect to the voting or transfer of any shares of capital stock of or any other interests in RegWeb.

5.4 Capitalization.

(a) Immediately after filing the Restated Certificate in connection with the execution and delivery of the Series E Preferred Stock Purchase Agreement and giving effect to the transactions contemplated hereby and thereby, the authorized capital stock of the Buyer and the issued and outstanding capital stock of the Buyer shall be as set forth on **Schedule 5.4**. All such issued and outstanding shares have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with federal and state securities law. In addition, the Buyer has reserved that number of shares of its Common Stock set forth on **Schedule 5.4** for conversion or issuance upon the exercise of outstanding options and warrants and the conversion of its Preferred Stock.

(b) Except as set forth on **Schedule 5.4**, there are no outstanding options, warrants, conversion rights, preemptive rights, rights of first refusal, or similar rights presently outstanding to purchase or otherwise acquire from the Buyer any securities of the Buyer and no agreements or understandings with respect thereto. The holders of the Buyer's outstanding shares of Common Stock, Preferred Stock and options are as set forth in **Schedule 5.4**, which is true, correct and complete with respect to such information. Except as set forth on **Schedule 5.4**, the Buyer is not a party or otherwise subject to any agreement or understanding, and, to the Buyer's knowledge, there is no agreement or understanding between any Persons or entities, which affects or relates to the voting or giving of written consents by a director of the Buyer or with respect to any capital stock of the Buyer.

(c) Except as set forth on **Schedule 5.4**, there are no outstanding obligations of the Buyer to repurchase, redeem or otherwise acquire any capital stock or other equity securities of the Buyer. There are no bonds, debentures, notes or other indebtedness of the Buyer having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of the Buyer may vote. There are no anti-dilution or price adjustment provisions contained in any security issued by the Buyer or in any agreement providing rights to security holders that will be triggered by the issuance of the Closing Shares and Escrow Shares, or any Underlying Common Stock (except for those which have previously been waived in connection with this Transaction by the holders of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series E-1 Preferred Stock and Series E-2 Preferred Stock). The Buyer does not have outstanding any loans to any person in respect of the purchase of securities issued by the Buyer.

5.5 Authorization. All corporate action on the part of the Buyer, its officers, directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement, and the Transaction Documents by the Buyer, the authorization, sale, issuance (or reservation for issuance) and delivery of the Closing Shares and Escrow Shares and the Underlying Common Stock and the performance of all of the Buyer's obligations hereunder and under the Transaction Documents have been taken and no other action on the part of the Buyer or its stockholders is required to effectuate the transactions contemplated hereby. This Agreement and the Transaction Documents constitute valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of courts and rules of law governing specific performance, injunctive relief or other equitable remedies.

5.6 Valid Issuance. The Closing Shares and Escrow Shares (collectively, the "Shares"), when issued, sold and delivered in compliance with the provisions of this Agreement will be duly and validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof and issued in compliance with applicable federal and state securities laws, and the Underlying Common Stock has been duly and validly reserved and, when issued in compliance with the provisions of the Restated Certificate, will be duly and validly issued and will be fully paid and nonassessable with no personal liability attaching to the ownership thereof and issued in compliance with applicable federal and state securities laws, and such Shares and the Underlying Common Stock will be free and clear of any Encumbrances created by the Buyer; provided, however, that the Shares and the Underlying Common Stock may be subject to restrictions on transfer under state and/or federal securities laws. Except as set forth in the Transaction Documents or the foregoing sentence, the Shares are not subject to any preemptive right, rights of first refusal or restrictions on transfer except for such rights as have been specifically waived in connection with this Agreement.

5.7 Offering. The offer, sale and issuance of the Shares to be issued in conformity with the terms of this Agreement (and the issuance of the Underlying Common Stock) constitute transactions exempt from the registration requirements of Section 5 of the Securities Act and all applicable Blue Sky laws.

5.8 Title to Properties; Liens and Encumbrances. The Buyer has good and marketable title to all of its properties and assets, and is in compliance with the leases of all material properties leased by it, in each case not subject to any Encumbrances. All of the leases pursuant to which the Buyer leases real or personal property are in good standing, are valid and effective in accordance with their respective terms, and there is no existing default under or breach of any provision of its leases. The Buyer's material properties and assets are in good condition and repair. The Buyer does not own any real property.

5.9 Intellectual Property. For purposes of this Section 5.9, the terms "copyright", "trademark", "patent", "trade secrets", "software products" and "intellectual property" shall have corollary meanings with regard to the Buyer as the respective defined terms Copyright, Trademark, Patent, Trade Secrets, Software Products and Intellectual Property have with regard to the Seller.

(a) Schedule 5.9(a) hereto sets forth each copyright, trademark or patent owned by the Buyer or in which the Buyer asserts proprietary rights, and each Federal, state or foreign registration thereof or application relating to the registration thereof.

(b) Except as set forth in Schedule 5.9(b) hereto, the Buyer is the exclusive owner of or has the exclusive right to use, sell or license and bring actions for the infringement of, all of its intellectual property used in the conduct of its business as presently conducted (except for licenses for Off-the-Shelf Software) and as currently proposed to be conducted (collectively, the "Requisite Rights") except for royalties payable in respect of Off-the-Shelf Software at standard commercial rates and ordinary course payments.

(c) Except as set forth on Schedule 5.9(c) hereto, no royalties, honorariums, fees or other amounts are payable by the Buyer to other persons by reason of the ownership, sale lease, license or use of the Requisite Rights.

(d) No product, service or process manufactured, marketed, sold or used, or currently proposed to be manufactured, marketed, sold or used, by the Buyer violates, or will violate, any license or agreement or will infringe any intellectual property of another; and there is no pending or threatened claim or litigation against the Buyer (nor does there exist any basis therefor) contesting the validity of or right to use of the foregoing, nor has the Buyer received any notice that any of the Requisite Rights or the

...of proposed operation of the Buyer's business conflicts, or will conflict, with the asserted rights
...does there exist any basis for any such conflict.

(e) Except as set forth in Section 5.9(e) hereto, no act has been done or omitted to be
...Buyer, or any licensee thereof, which has had or would have the effect of impairing or
...to the public, or entitling any United States or foreign governmental authority or any other
...entity to cancel, forfeit, modify or consider abandoned, any of the Requisite Rights, or give
...entity any rights with respect thereto (other than pursuant to an agreement listed in
...hereto), and all of the Buyer's rights in its intellectual property are valid, enforceable and

(f) Except as set forth in Schedule 5.9(f), the Buyer owns or otherwise has the valid
...through an agreement listed in Schedule 5.9 any and all of the Proprietary Technology (as
...defined) that is used in or is necessary for the conduct of the business of the Buyer as currently
...proposed to be conducted, free and clear of any Encumbrance (except for royalties
...of Off-the-Shelf Software at standard commercial rates and ordinary course payments)
...on commercially reasonable terms.

(g) All software products owned by the Buyer, and to the Buyer's knowledge, all
...products licensed from third parties to the Buyer are free from any significant software defect or
...programming or documentation error, operates and runs in a reasonable business manner, and, with
...to the software products owned by the Buyer the applications can be compiled from their
...and source code without any undue burden, if the failure to be able to do or the existence of which
...be expected to have a Buyer Material Adverse Effect. The Buyer has all material
...relating to use, maintenance and operation of the software products used in the conduct of
...of the Buyer.

(h) The Buyer has obtained from all individuals who participated in any respect in
...authorship of any of the Buyer's intellectual property (as employees of or consultants to
...or any predecessor entity or transferor of such rights as employees of consultants of otherwise)
...with the Buyer regarding confidentiality and proprietary information. No officer or other
...of the Buyer or any predecessor entity or transferor of intellectual property to the Buyer is or
...in any agreement with any other individual or entity which gives to any other individual or
...any interest in inventions or other intellectual property of a type that are directly related to the
...currently conducted by the Buyer, or requires such officer or employee to keep confidential any
...secrets, proprietary data, customer lists or other business information or which restricts such officer
...from engaging in competitive activities that are directly related and applicable to the
...currently conducted, and currently proposed to be conducted, by the Buyer or solicitation of
...customers.

(i) To the knowledge of the Buyer, no third party is infringing or has infringed on
...Requisite Rights.

(j) As used herein, "Proprietary Technology" means all source and object code,
...architecture, structure, display screens, layouts, processes, inventions, trade secrets, know-
...templates, marketing materials, trade dress, logos, signs, development tools and other
...owned by the Buyer pertaining to any product or service manufactured, marketed or
...to be manufactured, marketed or sold (as the case may be), by the Buyer or used,
...in the development, license, sale marketing, distribution or maintenance thereof,
...and media constituting, describing or relating to the above, including without
...memoranda, know-how, notebooks, patents and patent applications, trademarks and
...copyrights and copyright applications, records and disclosures.

5.10 Material Contracts and Other Commitments.

(a) Except as set forth on **Schedule 5.10(a)**, and the Transaction Documents, there are no agreements, understandings or proposed transactions between the Buyer and any of its officers, directors or Affiliates.

(b) Except as set forth on **Schedule 5.10(b)**, the Buyer has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred any indebtedness for money borrowed or incurred any other liabilities in excess of \$20,000, (iii) made any loans or advances to any person, other than ordinary advances for travel expenses, or (iv) sold, exchanged or otherwise disposed of any of its assets with a fair market value in excess of \$20,000.

(c) All Contracts of the Buyer are valid, binding and in full force and effect in all material respects and are enforceable by and against the Buyer in accordance with their respective terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies. The Buyer is not in material default under any Contract, and, to the Buyer's knowledge, no other party to any such contract is in material default. Upon the consummation of the transactions contemplated hereby, the Contracts of the Buyer shall continue in full force and effect without penalty or other adverse consequence.

5.11 Litigation. There are (a) no actions, suits, proceedings, or investigations pending or threatened against the Buyer or its properties before any court or governmental agency, and there is no basis therefor, and (b) no actions, suits, proceedings or investigations are pending or, to the Buyer's knowledge, threatened against its employees that may relate to their employment with, or conduct on behalf of, the Buyer, or that question the validity of this Agreement, the Transaction Documents or any action taken or to be taken in connection herewith or therewith. The foregoing includes, without limitation, any action, suit, proceeding, or investigation pending or currently threatened involving the prior employment of any of the Buyer's employees, their use in connection with the Buyer's business of any information or techniques allegedly proprietary to any of their former employers, their obligations under any agreements with prior employers, or negotiations by the Buyer with potential backers of, or investors in, the Buyer or its proposed business. The Buyer is not a party or subject to any writ, order, decree, injunction or judgment of any court, governmental agency, or instrumentality (nor, to the best of the Buyer's knowledge based upon reasonable investigation, is there any reasonable basis therefor or threat thereof). There is no action, suit, proceeding or investigation by the Buyer currently pending or that the Buyer currently intends to initiate.

5.12 Taxes. The Buyer has timely filed all material Tax Returns and reports (federal, state and local) as required by law and such returns and reports are true and correct in all material respects. The Buyer has paid all material Taxes and other assessments due, except those contested by it in good faith. There are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessment of any tax or deficiency against the Buyer, and there are no actions, suits, proceedings, judgments or claims now pending against the Buyer with respect to any Tax or assessment or any matter under discussion with any federal, state, local or foreign authority relating to any taxes or assessments, or any claims for additional taxes or assessments asserted by any such authority, and to the best of the Buyer's knowledge there is no basis for the assertion of any additional taxes or assessments against the Buyer. The Buyer has not elected to be treated as an S corporation or a collapsible corporation pursuant to Section 1362(a) or Section 341(f) of the Code, nor has it made any other elections pursuant to the Code (including elections that relate solely to methods of accounting, depreciation, or amortization) that would have a Material Adverse Effect. The Buyer has never been audited for taxes by the applicable governmental body. The Buyer has never had any tax deficiency proposed or assessed

against it. The Buyer has withheld or collected from each payment made to each of its employees, the amount of all material Taxes, including, but not limited to, income taxes, Federal Insurance Contribution Act taxes and Federal Unemployment Tax Act taxes required to be withheld or collected therefrom, and has paid the same to the proper tax receiving officers or authorized depositaries. There are no tax liens on any properties or assets of the Buyer (except liens for taxes not yet due or payable).

5.13 Insurance. The Buyer has in full force and effect commercial general liability (including fire and casualty), a automobile liability, workers compensation and employers' liability and errors and omissions insurance policies with recognized insurers. Such insurance is sufficient in amount as of the Closing subject to reasonable deductibles to allow the Buyer to replace any of the Buyer's material properties and assets that may be damaged or destroyed. To the knowledge of the Buyer, such types and amounts of insurance coverage on both on an occurrence and an aggregate basis are as customarily carried by persons engaged in the same or similar businesses as the Buyer.

5.14 Employee Benefit Plans. Schedule 5.14 contains a complete list of each material Buyer Plan. Except as set forth on Schedule 5.14, (i) to the Buyer's knowledge, each Buyer Plan complies in all material respects in form and operation with the applicable requirements of ERISA, the Code and all applicable Law, and has been maintained in accordance with its terms; (ii) the Buyer has not been a contributing employer under a multiemployer plan pursuant to ERISA or the Code; and (iii) no Buyer Plan is a defined benefit plan pursuant to ERISA.

5.15 Proprietary Information Agreements. Each current and former key employee, officer and director of the Buyer ("Buyer Personnel") has executed an agreement with the Buyer regarding confidentiality and proprietary information. The Buyer has no knowledge that any of its Buyer Personnel is in violation thereof, and the Buyer will use its commercially reasonable efforts to prevent any such violation. Each current or former consultant to, or vendor of, the Buyer that has had access to the Buyer's confidential information has executed a written agreement substantially in the form provided to Seller under which, among other things, each such consultant or vendor is obligated to maintain the confidentiality of the Buyer's confidential information. The Buyer has no knowledge that any of its consultants or vendors are in violation thereof, and the Buyer will use its commercially reasonable efforts to prevent any such violation. John Pino has agreed in writing not to compete with the Buyer or solicit the employees of the Buyer for a period of two (2) years following any termination of his employment.

5.16 Registration Rights and Voting. Except as set forth on Schedule 5.16, the Buyer is not under any obligation and has not granted any rights to cause the Buyer to register under the Securities Act any of its presently outstanding securities or any of its securities that may subsequently be issued. To the Buyer's knowledge, except as set forth on Schedule 5.16, no stockholder of the Buyer has entered into any agreement with respect to the voting of the Buyer's securities.

5.17 Governmental Consents. No consent, approval, qualification or authorization of, or registration, designation, declaration or filing with, any local, state or federal governmental authority on behalf of the Buyer is required in connection with the valid execution, delivery or performance of this Agreement or the Transaction Documents, or the offer, sale, reservation or issuance of the Shares and the Buyer's Common Stock, or the consummation of any transaction contemplated hereby, except such filings as will be made by the Buyer to comply with applicable state and federal securities laws in connection with this transaction.

5.18 Environmental and Safety Laws. The Buyer is not in violation of any Environmental Laws. No material expenditures are or will be required in order to comply with any such existing Environmental Laws or regulation. There exists no state of facts as to environmental matters or Hazardous Substances that involves the reasonable likelihood of a material capital expenditure by the Buyer or that such matters or substances have a Buyer Material Adverse Effect, and no Hazardous Substances have been used,

treated, stored or disposed of, or otherwise deposited, in or on the properties owned or leased by the Buyer in violation of any applicable Environmental Laws.

5.19 Related Party Transactions. Except as set forth on Schedule 5.19, no current or former employee, officer, stockholder or director of the Buyer or member of his or her immediate family or other associate (as such term is defined in the rules and regulations promulgated under the Securities Act) of the foregoing is presently, or since the inception of the Buyer has been, indebted to the Buyer, nor is the Buyer indebted (or committed to make loans or extend or guarantee credit) to any of them, other than (a) for payment of salary for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Buyer, (c) for other standard employee benefits made generally available to all employees (not including stock option agreements outstanding under any stock option plan approved by the Board of Directors of the Buyer) (d) for payment of trade payables incurred in the ordinary course. To the Buyer's knowledge, none of such persons has any direct or indirect ownership interest in any firm or corporation with which the Buyer is affiliated or with which the Buyer has a business relationship, or any firm or corporation that competes with the Buyer, except that employees, officers or directors of the Buyer and members of their immediate families may own stock in publicly traded companies that may compete with the Buyer. Except as set forth on Schedule 5.19, no officer, director, or stockholder or any member of their immediate families or other associate of the foregoing is, directly or indirectly, a party to any material contract with the Buyer or, to the Buyer's knowledge, is otherwise interested in any material contract with the Buyer (other than such contracts as relate to any such person's ownership of capital stock or other securities of the Buyer). The Buyer is not a guarantor or indemnitor of any indebtedness of any other person or entity.

5.20 Broker's and Finders' Fees. The Buyer has not incurred, and will not incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

5.21 Compliance with Other Instruments. The Buyer is not in violation of or default under any provisions of its Restated Certificate or bylaws or of any mortgage, indenture, agreement, instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound or any provision of any federal or state statute, rule or regulation applicable to the Buyer. The execution, delivery and performance of and compliance with this Agreement, the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, order, writ, decree or contract or an event which results in the creation of any lien, charge or encumbrance upon any of the properties or assets of the Buyer or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization, or approval applicable to the Buyer, its business or operations or any of its properties or assets.

Permits. The Buyer has all material franchises, permits, licenses, and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which could have a Material Adverse Effect, and believes it can obtain, without undue burden or expense, any such authority for the conduct of its business as presently planned to be conducted. The Buyer is not in violation of any material respect under any of such franchises, permits, licenses or other similar authority.

Employees. Except as set forth on Schedule 5.23, there is no strike, labor dispute or labor union activities pending or threatened between the Buyer and its employees. None of the Buyer's employees belongs to any union or collective bargaining unit. The Buyer has complied in all respects with all applicable state and federal equal opportunity and other laws related to employment. No employee of the Buyer is, to the Buyer's knowledge, reasonably believed to be in

violation of any judgment, decree, or order, or any term of any employment contract, patent disclosure agreement, or other contract or a agreement relating to the relationship of any such employee with the Buyer, or any other party because of the nature of the business conducted or presently proposed to be conducted by the Buyer or to the use by the employee of his or her best efforts with respect to such business. No third party has asserted or, to the knowledge of the Buyer, may assert any valid claim against the Buyer or any of the Designated Persons (as defined herein) with respect to the use, in connection with any business presently conducted or proposed to be conducted by the Buyer or any of the present officers or employees of or third-party consultants to the Buyer (collectively, the "Designated Persons") of any information which the Buyer or any of the Designated Persons would be prohibited from using under any prior agreements or arrangements or any legal consideration applicable to unfair competition, trade secrets or proprietary information. Except as set forth on Schedule 5.23, the Buyer is not a party to or bound by any currently effective employment contract, deferred compensation agreement, bonus plan, incentive plan, profit sharing plan, retirement agreement, or other employee compensation agreement. The Buyer is not aware that any officer or key employee, or that any group of key employees, intends to terminate their employment with the Buyer, nor does the Buyer have a present intention to terminate the employment of any of the foregoing. Subject to general principles related to wrongful termination of employees, the employment of each officer and employee of the Buyer is terminable at the will of the Buyer. It will not be necessary to utilize any inventions of any of the Buyer's employees made prior to their employment by the Buyer.

5.24 Buyer Financial Statements.

(a) The Buyer has delivered to the Seller its unaudited financial statements for the fiscal year ended December 31, 2002 and the five months ending May 31, 2003 (the "Buyer Financials"), which have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated. The Buyer Financials are complete and correct in all material respects and accurately and fairly present the financial condition and operating results of the Buyer as of the dates, and for the periods indicated therein, subject to normal year-end audit adjustments where applicable. Except as set forth in the Buyer Financials, the Buyer has no material Liabilities. The Buyer maintains, and will continue to maintain a standard system of accounting established and administered in accordance with generally accepted accounting principles.

(b) Except as set forth in Schedule 5.24(b), as of May 31, 2003; (a) the Buyer had no Liability (whether matured or unmatured, fixed or contingent) which was not provided for or disclosed in the Buyer Financials as of the dates indicated, and (b) all liability reserves established by the Buyer and set forth in the Buyer Financials are adequate for all such liabilities at the applicable date thereof. There are no loss contingencies, other than as the Buyer reasonably believes would not have a Buyer Material Adverse Effect, which are not adequately provided for in the Buyer Financials.

5.25 Changes. Since May 31, 2003, there has not been:

(i) any change in the properties, prospects, condition (financial or otherwise), assets, liabilities or results of operations, of the Buyer, except changes in the ordinary course of business that have not been, in the aggregate, materially adverse;

(ii) any damage, destruction or loss, whether or not covered by insurance that has had a Buyer Material Adverse Effect;

(iii) any waiver or compromise by the Buyer of a valuable right or of a liability owed to it;

(iv) any satisfaction or discharge of any Encumbrance or payment of any obligation by the Buyer, except in the ordinary course of business and that is not material to the properties, prospects, condition (financial or otherwise), assets, liabilities or results of operations, taken as a whole of the Buyer or operating results (as such business is presently conducted and as it is presently proposed to be conducted);

(v) the entering into or change in the terms of any material contract or arrangement by which the Buyer or any of its assets or properties is bound or to which the Buyer or any of such assets or properties is subject;

(vi) any change to a material contract or arrangement by which the Buyer or any of its assets is bound or subject;

(vii) any material change in any compensation arrangement or agreement with any employee, officer, director or stockholder;

(viii) any sale, assignment, or transfer of any intellectual property of the Buyer;

(ix) any resignation or termination of employment of any key officer of the Buyer;

(x) receipt of notice that there has been a loss of, or order cancellation in excess of \$20,000 by, any customer of the Buyer;

(xi) any mortgage, pledge, transfer of a security interest in, or lien, created by the Buyer, with respect to any of its properties or assets, except liens for taxes not yet due or payable;

(xii) any loans or guarantees made by the Buyer to or for the benefit of its employees, stockholders, officers, or directors, or any members of their immediate families, other than travel advances and salary advances made in the ordinary course of its business;

(xiii) any declaration, setting aside, or payment of any dividend or other distribution of the Buyer's assets in respect of any of the Buyer's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by the Buyer;

(xiv) to the best of the Buyer's knowledge, any other event or condition of any character that might have a Buyer Material Adverse Effect; or

(xv) any agreement or commitment by the Buyer to do any of the things specified in this Section 5.25.

Corporate Documents. The copy of the minute books of the Buyer provided to or made available to the Seller contains minutes of all meetings of directors and stockholders and all actions by the directors and stockholders since the date of incorporation and reflects all actions by the directors (and any committee of directors) and stockholders with respect to all transactions referred to in such minutes in all material respects.

Qualified Small Business. The Company is a Qualified Small Business as defined in Section 1361(c) of the Code.

Disclosure. The Buyer has provided the Seller with all of the information which the Seller requested in connection with the execution of this Agreement and the purchase of the Shares.

No representation or warranty of the Buyer contained in the Transaction Documents, or any certificate furnished or to be furnished to Seller contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

6.2. Covenants of the Seller.

6.1 Competition and Confidentiality.

(a) The Seller understands that the Buyer shall be entitled to protect and preserve the going concern value of the Business to the extent permitted by law and that the Buyer would not have entered into this Agreement absent the provisions of this Section 6.1. During the period beginning on the Closing Date and ending on the fifth anniversary thereof (the "Non-Competition Period"), neither the Seller nor any Affiliate of the Seller other than Affiliates of Seaport Capital Partners II, L.P. and T.L. Ventures IV, L.P. ("Restricted Party") shall, within North America, directly or indirectly, in any capacity; (i) render services, engage or have a financial interest in, any business that shall be competitive with any of those business activities that have constituted part of the Business at any time during the past 12 months or (ii) solicit any former employee of the Business for the purposes of having any such employee terminate his or her employment with the Buyer, if any. If any Governmental Body determines that the foregoing restrictions are too broad or otherwise unreasonable under applicable Law, including with respect to time or space, such Governmental Body is hereby requested and authorized by the Parties to revise the foregoing restriction to include the maximum restrictions allowable under applicable Law. Each Restricted Party acknowledges, however, that this Section 6.1 has been negotiated by the Parties and that the geographical and time limitations, as well as the limitation on activities, are reasonable in light of the circumstances pertaining to the Business.

(b) The Seller recognizes and acknowledges that by reason of its involvement with the Business, it has had access to Trade Secrets relating to the Business. The Seller acknowledges that such Trade Secrets are a valuable and unique asset and covenants that it will not allow the disclosure of any such Trade Secrets to any Person for any reason whatsoever, unless such information is in the public domain through no wrongful act of the Seller or such disclosure is required by applicable Law.

(c) The terms of this Section 6.1 shall apply to any Restricted Party that is not one of the Parties to the same extent as if it were a party hereto, and the Seller shall take whatever actions may be necessary to cause any of its controlled Affiliates to adhere to the terms of this Section 6.1.

(d) In the event of any breach or threatened breach by any Restricted Party of any provision of this Section 6.1, the Buyer shall be entitled to seek injunctive or other equitable relief, restraining such party from using or disclosing any Trade Secrets in whole or in part, or from engaging in conduct that would constitute a breach of the obligations of a Restricted Party under this Section 6.1. Such relief shall be in addition to and not in lieu of any other remedies that may be available, including an award of the recovery of Damages.

6.3. Transfer of Purchased Assets and Business. The Seller shall take such reasonable steps at the request of the Buyer as may be necessary, in the reasonable judgment of the Buyer, at and after the Closing Date, to ensure that the Buyer shall be placed in actual possession and control of all of the Purchased Assets and the Business. In furtherance thereof, the Seller shall (a) execute and deliver such additional instruments of conveyance and transfer as the Buyer may reasonably require, in the judgment of the Buyer, to more effectively vest in it, and put it in possession of, the Purchased Assets, (b) amend its Charter Documents and take all other actions necessary to change its name to a name sufficiently dissimilar to the Seller's present names to, in the Buyer's judgment, avoid confusion, and (c) take all actions to enable the Buyer to change its name to the Seller's present names.

6.3 Related Parties. The Seller shall use commercially reasonable efforts to take or refrain from taking and shall cause each of its Subsidiaries to take or refrain from taking any action that may be necessary to carry out the Transaction.

6.4 Related Assets. If any Subsidiary of the Seller owns or otherwise possesses any right, title or interest of any type or nature whatsoever in any assets that are used in the operation of the Business, the Seller shall cause such Subsidiary to transfer such assets, free and clear of all Encumbrances, to the Buyer after the Closing at no cost to the Buyer, and such assets shall become Purchased Assets; provided however, that in the case of any such asset that may not be assigned to the Buyer without obtaining a Seller Required Consent which has not been obtained as of the Closing, the provisions of Section 2.7 shall be applicable and the Seller shall cause such Subsidiary to comply with such provisions as if such Subsidiary were a "Seller" for purposes of such provisions.

6.5 Bulk Sales. The Buyer and the Seller hereby waive compliance with the bulk sales Laws and any other similar Laws in any applicable jurisdiction in respect of the Transaction; provided however, that the Seller shall pay and discharge when due all claims of creditors asserted against the Buyer on the Purchased Assets by reason of such noncompliance and shall take promptly all necessary actions required to remove any Encumbrance which may be placed upon any of the Purchased Assets by reason of such noncompliance. The Seller shall indemnify the Buyer from and against any Liabilities arising from such bulk sales Laws noncompliance, which indemnification shall not be subject to the limitations set forth in Section 9.4.

Covenants of the Buyer.

7.1 Related Parties. The Buyer shall use commercially reasonable efforts to take or refrain from taking and shall cause each of its Subsidiaries to take or refrain from taking any action that may be necessary to carry out the Transaction.

Mutual Covenants.

8.1 Benefit Plans. The Seller shall remain solely responsible for all Liabilities arising out of or related to any legal duty or obligation, pursuant to any express or implied Contract, policy, plan, statute, ordinance, regulation, or common Law, that it or its agents may have had, have or will have, as the employer of any employee director, agent or independent contractor of the Business prior to the Closing (including without limitation, in connection with the consummation of the Transaction). Except as set forth on Section 2.5(a)(v), (vi) or (vii), the Seller shall retain all responsibility and Liability with respect to the Benefit Plans, and the Buyer shall have no responsibility or Liability with respect to the Benefit Plans.

8.2 Tax Matters. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement, shall be paid equally by the Seller on one hand and the Buyer on the other when due, and the Seller will, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable Law, the Buyer will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

8.3 Expenses. Except as provided in Sections 2.3 and 2.5(a)(iii), the Parties shall each pay their respective legal, accounting and other expenses incurred by such Party in connection with the Transaction.

8.4 Accounts Receivable. From and after the Closing, if the Seller or any of its Affiliates collect any funds relating to any Accounts Receivable of the Business set forth on the Balance

Sheet, the Seller or its Affiliate shall remit any such amounts to the Buyer within five Business Days of each day on which the Seller or its Affiliate receives such sum.

8.5 COBRA. Effective on the Closing, Buyer shall offer continuation-coverage to former employees and eligible dependents of Seller who are eligible to receive, as of the Closing, continuation-coverage required by Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA (COBRA), provided that such individuals pay 102% of the full costs thereof, as such costs may be adjusted. The Seller employees who are covered under the Benefit Plans assumed by Buyer as set forth on Schedule 8.1 who are not employed by Buyer upon the Closing will have their coverage (other than for continuation coverage in accordance with COBRA) under the Benefit Plans assumed by Buyer cease as of the end of the month in which the Closing occurs.

8.6 Seller 401(k) Plan. The Seller shall take whatever action is necessary to cause the adoption of resolutions to terminate the Seller's 401(k) Plan (the "Seller's 401(k) Plan") no later than August 31, 2003. After termination of the Seller's 401(k) Plan, the Seller shall take all actions necessary to make final distributions from the Seller's 401(k) Plan in accordance with its terms to all participants in the Seller's 401(k) Plan within a reasonable period of time after its termination.

9. Indemnification.

9.1 By the Seller. Subject to the limitations set forth in this Section 9, from and after the Closing Date, the Seller shall indemnify and hold harmless the Buyer and (if any) its respective successors and assigns, and their respective officers, directors, employees, stockholders, agents, Affiliates and any Person who controls any of such Persons within the meaning of the Securities Act or the Exchange Act (each, an "Indemnified Buyer Party") from and against any liabilities, claims, demands, judgments, losses, costs, damages or expenses whatsoever (including reasonable attorneys', consultants' and other professional fees and disbursements of every kind, nature and description incurred by such Indemnified Buyer Party in connection therewith, including consequential and punitive damages) (collectively "Damages") that such Indemnified Buyer Party may sustain, suffer or incur and that result from, arise out of or relate to (a) any breach of any of the respective representations, warranties, covenants or agreements of the Seller contained in the Transaction Documents, (b) any Liability arising out of or related to any Unassumed Liability, (c) any Liability arising out of or related to the bulk sales transfer Laws and (d) any Liability of the Seller involving any Excluded Asset.

9.2 By the Buyer. Subject to the limitations set forth in this Section 9, from and after the Closing Date, the Buyer shall indemnify and hold harmless the Seller and (if any) its respective successors and assigns, and their respective officers, directors, employees, stockholders, agents, Affiliates and any Person who controls any of such Persons within the meaning of the Securities Act or the Exchange Act (each, an "Indemnified Seller Party") from and against any Damages that such Indemnified Seller Party may sustain, suffer or incur and that result from, arise out of or relate to (a) any breach of any of the respective representations, warranties, covenants or agreements of the Buyer contained in the Transaction Documents, (b) the Buyer's failure to discharge any Assumed Liability and any claim asserted by a third party against the Seller or any Affiliate thereof that the Buyer failed to discharge any Assumed Liability, or (c) any Liability (other than any Unassumed Liability) asserted by a third party against the Seller or any Affiliate thereof which arises out of the ownership of the Purchased Assets after the Closing Date, or the operation by the Buyer, or any direct or indirect successor, assignee or transferee, of the Purchased Assets conducted with the Purchased Assets after the Closing Date.

Procedure for Claims.

9.3 Any Person who desires to seek indemnification under any part of this Section 9 ("Indemnified Party") shall give written notice in reasonable detail (a "Claim Notice") to each

Party responsible or alleged to be responsible for indemnification hereunder (an "Indemnitor") and the Escrow Agent prior to any applicable Expiration Date (as defined in Section 9.5). Such notice shall briefly explain the nature of the claim and the parties known to be invoked, and shall specify the amount thereof. If the matter to which a claim relates shall not have been resolved as of the date of the Claim Notice, the Indemnified Party shall estimate the amount of the claim in the Claim Notice, but also specify therein that the claim has not yet been liquidated (an "Unliquidated Claim"). If an Indemnified Party gives a Claim Notice for an Unliquidated Claim, the Indemnified Party shall also give a second Claim Notice (the "Liquidated Claim Notice") within 60 days after the matter giving rise to the claim becomes finally resolved, and the Second Claim Notice shall specify the amount of the claim. Each Indemnitor to which a Claim Notice is given shall respond to any Indemnified Party that has given a Claim Notice (a "Claim Response") within 30 days (the "Response Period") after the later of (i) the date that the Claim Notice is given or (ii) if a Claim Notice is first given with respect to an Unliquidated Claim, the date on which the Liquidated Claim Notice is given. Any Claim Response shall specify whether or not the Indemnitor giving the Claim Response disputes the claim described in the Claim Notice. If any Indemnitor fails to give a Claim Response within the Response Period, such Indemnitor shall be deemed not to dispute the claim described in the related Claim Notice. If any Indemnitor elects not to dispute a claim described in a Claim Notice, whether by failing to give a timely Claim Response in accordance with the terms hereof or otherwise, then the amount of such claim shall be conclusively deemed to be an obligation of such Indemnitor.

(b) If any Indemnitor shall be obligated to indemnify an Indemnified Party pursuant to this Section 9, such Indemnitor shall pay to such Indemnified Party the amount to which such Indemnified Party shall be entitled within 15 Business Days after the day on which such Indemnitor became so obligated to the Indemnified Party. If the Indemnified Party shall be an Indemnified Buyer Party, it may only seek payment of the Damages to which it is entitled under this Section 9 from the Escrow Funds (as such term is defined in the Escrow Agreement), but only to the extent that the Escrow Funds are being held by the Escrow Agent and are not subject to other claims for indemnification.

(c) The claims period for the Escrow Funds shall commence on the date hereof and shall continue for two years thereafter (the "Claims Period"). Any Claim Notice shall be considered timely made for the purposes of this Section 9 if given prior to the termination of the Claims Period and in accordance with the notice requirements of Section 11. Any Claim Response shall be considered timely made for the purposes of this Section 9 if given prior to the termination of the Response Period and in accordance with the notice requirements of Section 11.

(d) If, during the Response Period, an Indemnified Party receives a Claim Response from the Indemnitor, then for a period of 45 days (the "Resolution Period") after the Indemnified Party's receipt of such Claim Response, the Indemnified Party and the Indemnitor shall endeavor to resolve any dispute arising therefrom. If such dispute is resolved by the parties during the Resolution Period, the amount that the parties have specified as the amount to be paid by the Indemnitor, if any, as settlement for such dispute shall be conclusively deemed to be an obligation of such Indemnitor. If the parties are unable to reach a resolution to such dispute prior to the expiration of the Resolution Period (or any extension thereof) to which the Indemnitor and Indemnified Party agree in writing, the issue shall be referred to the American Arbitration Association in Philadelphia, Pennsylvania (the "AAA") for arbitration. Not later than ten (10) days following the submission of the matter to the AAA, each party shall choose one arbitrator from the approved panel of AAA arbitrators. Not later than ten (10) days thereafter, such arbitrators shall jointly choose a third arbitrator, who shall be a retired judge. The decision of the arbitrators will be final and binding upon the parties, and the judgment of a court having jurisdiction may be entered thereon. All arbitration hearings shall be conducted on an expedited schedule commencing not later than 120 days following selection of the arbitrators and shall result in a written decision not later than forty-five (45) days following the conclusion of the

hearing, and all proceedings shall be confidential. Either Party, at its expense, may make a stenographic record thereof. Each Party shall pay its own expenses and each Party shall pay one-half of the costs and expenses of the arbitrators and the AAA. Notwithstanding anything to the contrary in this Section 9.3(d), no Party shall be precluded from seeking or obtaining from a court of competent jurisdiction (i) injunctive relief or (ii) equitable or other judicial relief to specifically enforce the provisions of this Agreement and the other Transaction Documents or to preserve the status quo ante pending resolution of disputes hereunder or thereunder.

(e) If the Indemnified Party is an Indemnified Buyer Party, then, the Indemnified Buyer Party shall provide written instructions to the Escrow Agent with a copy to the Seller as to (i) the amount of Escrow Shares, if any, to be dispersed from the Escrow Funds and (ii) instructions as to the manner in which such Escrow Shares shall be dispersed by the Escrow Agent, and the Seller shall have the right to contest such claim in the manner set forth in the Escrow Agreement. In accordance with the terms and conditions of the Escrow Agreement, any claim for Damages shall be satisfied by the delivery of the Escrow Shares calculated by dividing the Damages amount by the Series E Price.

9.4 Indemnification Limitations.

(a) Notwithstanding any other provision of this Section 9, except as provided below in this Section 9.4, the Indemnified Buyer Party on the one hand, and the Indemnified Seller Party on the other hand, shall be entitled to indemnification hereunder with respect to the breach of a representation or warranty, covenant or agreement by the Seller or by the Buyer, respectively, only when the aggregate of all Damages to such Indemnified Parties from all such breach of representations or warranties, covenants or agreements exceeds \$50,000 (the "Threshold Amount") and then for all amount of Damages including the Threshold Amount. The foregoing restriction with respect to the Threshold Amount shall not apply, however, to (i) any breach of the Seller's representations or warranties under Sections 4.1, 4.2, 4.12 or 4.13 or in the related provisions of the Closing Certificates, (ii) any breach of the Buyer's representations or warranties under Sections 5.1, 5.2, 5.5, 5.11 or 5.12 or in the related provisions of the Closing Certificates, (iii) a breach of any representations or warranties of a Party to this Agreement that were made with an intent to mislead or defraud or with a reckless disregard of the accuracy thereof, (iv) a breach of a covenant contained in Sections 6.1, or (v) any Liabilities, arising out of, related to or resulting from the Connecticut Tax Audit. In addition, in the case of the claim that may be made based on a breach of a representation or warranty as well as on any other item described in clauses (b) through (d) of the first sentence of Section 9.1, such limitations regarding the Threshold Amount shall not apply to the extent that such claim is not based solely on an asserted breach of a representation or warranty.

(b) The aggregate maximum amount for which the Buyer shall be required to indemnify the Indemnified Seller Parties under this Section 9, including with respect to claims made by third parties, shall be \$500,000.

(c) The aggregate maximum amount for which Seller shall be required to indemnify the Indemnified Buyer Parties under this Section 9, (including with respect to claims made by third parties) shall include all costs, expenses and attorneys' fees paid or incurred by Seller in connection with the curing of any and all misrepresentations or breaches of warranties or covenants under this Agreement shall not exceed the sum of \$1,295,412, in no event shall the Buyer have any right to recover any amount or any portion thereof other than pursuant to Section 9.3(e) and for the avoidance of doubt, Seller's sole liability to Buyer under this Section 9 or otherwise shall consist of relinquishing the Escrow Shares in accordance with Section 9.3(e) and the Escrow Agreement.

Claims Period. Any claim for indemnification under this Section 9 shall be made by the Indemnified Party in writing under Section 9.3 on or before the second anniversary of the Closing Date (the "Claims Period") or the claim under this Section 9 shall be invalid. So long as an Indemnified Party

gives a Claim Notice for an Unliquidated Claim on or before the applicable Expiration Date, such Indemnified Party shall be entitled to pursue its rights to indemnification regardless of the date on which such Indemnified Party gives the related Liquidated Claim Notice.

9.6 Third Party Claims. An Indemnified Party that desires to seek indemnification under any part of this Section 9 with respect to any actions, suits or other administrative or judicial proceedings (each, an "Action") that may be instituted by a third party shall give each Indemnitor prompt notice of a third party's institution of such Action. After such notice, any Indemnitor may, or if so requested by such Indemnified Party, any Indemnitor shall, participate in such Action or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party; provided, however, that such Indemnified Party shall have the right to participate at its own expense in the defense of such Action; provided, further, that the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement, except with the written consent of the Indemnitor (which consent shall not be unreasonably withheld, conditioned or delayed). Any failure to give prompt notice under this Section 9.6 shall not bar an Indemnified Party's right to claim indemnification under this Section 9, except to the extent that an Indemnitor shall have been harmed by such failure.

9.7 Effect of Investigation or Knowledge. Any claim by the Buyer for indemnification shall not be adversely affected by any investigation by or opportunity to investigate afforded to the Buyer, nor shall such a claim be adversely affected by the Buyer's knowledge on or before the Closing Date of any breach of a representation, warranty, covenant or agreement or of any state of facts that may give rise to such a breach; any such claim shall survive the Closing until the applicable Expiration Date. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not adversely affect the right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants or obligations.

9.8 Contingent Claims. Nothing herein shall be deemed to prevent an Indemnified Party from making a claim hereunder for potential or contingent claims or demands (a "Contingent Claim"); provided that the Claim Notice sets forth the specific basis for any such Contingent Claim to the extent then feasible and the Indemnified Party has reasonable grounds to believe that such a claim may be made.

9.9 Calculation of Damages. The amount of Damages payable by an Indemnitor under this Section 9 shall be reduced by (a) any insurance proceeds received by the Indemnified Party with respect to the claim for which indemnification is sought, net of retrospective premium adjustments and similar charges, (b) any amounts recovered from any third parties, by way of indemnification or otherwise, with respect to the claim for which indemnification is sought and (c) the net after-tax amount of any Tax benefits recognized by the Indemnified Party to the extent the claim for which indemnification is sought gives rise to a deductible loss or expense, provided, however, that such amount shall be repaid to the Indemnified Party to the extent that such Tax benefits are subsequently reduced as a result of a successful challenge by any Taxing authority."

9.10 Purchase Price Adjustment. All indemnity payments made by the Seller to the Buyer, or payments made to the Seller, pursuant to this Agreement shall, to the maximum extent permitted under the law (including other applicable Tax law), be treated for all Tax purposes as adjustments to the consideration payable to the Buyer hereunder.

Exclusive Remedy. On and after the Closing, the sole and exclusive remedy of any Party arising under or relating to this Agreement or the Transactions contemplated hereby against the other Party hereto shall be the indemnification provided in this Article 9, and each Party agrees for itself, its successors and assigns that it will not exercise any other remedy, except that any Party may seek specific performance or injunctive relief for any breach of the covenants or agreements set forth in Sections 2, 6, 7 or 8 herein. Notwithstanding the foregoing, nothing contained in this

Agreement shall preclude any Party for itself, its Affiliates, its successors and assigns from seeking damages or pursuing any other remedy that it may have available to it in a court of competent jurisdiction for claims arising from fraud, intentional misrepresentation or reckless disregard.

10. General Matters.

10.1 Contents of Agreement. This Agreement, together with the other Transaction Documents, sets forth the entire understanding of the Parties with respect to the Transaction and supersedes all prior agreements or understandings among the parties regarding those matters, including, without limitation, the letter of intent between the Parties dated June 5, 2003.

10.2 Amendment, Parties in Interest, Assignment, Etc. This Agreement may be amended, modified or supplemented only by a written instrument duly executed by each of the Parties. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, legal representatives, successors and permitted assigns of the Parties. Nothing in this Agreement shall confer any rights upon any Person other than the Parties and their respective heirs, legal representatives, successors and permitted assigns, except as provided in Section 9. No Party shall assign this Agreement or any right, benefit or obligation hereunder, except the Buyer may designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases the Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder). Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument duly executed by such Party. Neither the failure nor the delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of any such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable Law, (a) no waiver that may be given by a Party shall be applicable except in the specific instance for which it was given and (b) no notice to or demand on one Party shall be deemed to be a waiver of any obligation of such Party or the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the other Transaction Documents.

10.3 Further Assurances. At and after the Closing, the Parties shall execute and deliver any and all documents and take any and all other actions that may be deemed reasonably necessary by their respective counsel to complete the Transaction.

10.4 Interpretation. Unless the context of this Agreement clearly requires otherwise, (a) references to the plural include the singular, the singular the plural, the part the whole, (b) references to any gender include all genders, (c) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" and (d) references to "hereunder" or "herein" relate to this Agreement. Any determination as to whether a situation is material shall be made by taking into account the effect of all other provisions of this Agreement that contain a qualification with respect to materiality so that the determination is made after assessing the aggregate effect of all such situations. The section and other provisions contained in this Agreement are for reference purposes only and shall not control or affect the interpretation of this Agreement or the interpretation thereof in any respect. Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified. Each accounting term used herein that is not specifically defined herein shall have the meaning given to it under GAAP. Any determination as to a Party's being satisfied with any particular item or to a Party's determination of a particular standard shall be made by such Party in its sole or complete discretion.

10.5 Counterparts. This Agreement may be executed in two or more counterparts (delivery of which may be by hand or via facsimile), each of which shall be binding as of the date first written above, and,

when delivered, all of which shall constitute one and the same instrument. A facsimile signature or electronically scanned copy of a signature shall constitute and shall be deemed to be sufficient evidence of a Party's execution of this Agreement.

10.6 Negotiated Agreement. The Parties hereby acknowledge that the terms and language of this Agreement were the result of negotiations among the Parties and, as a result, there shall be no presumption that any ambiguities in this Agreement shall be resolved against any particular Party. Any controversy over construction of this Agreement shall be decided without regard to events of authorship or negotiation.

10.7 Severability. If any term or other provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced under any applicable Law in any particular respect or under any particular circumstances, then, so long as the economic or legal substance of the Transaction is not affected in any manner materially adverse to any Party, (a) such term or provision shall nevertheless remain in full force and effect in all other respects and under all other circumstances, and (b) all other terms, conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner so that the Transaction are fulfilled to the fullest extent possible.

10.8 Public Announcements. Any public announcements, press release or similar publicity with respect to this Agreement or the Transaction will be issued, if at all, at such time and in such manner as the Parties may agree. Without the prior written consent of the Other Party, neither Party nor their Affiliates shall disclose the status of any discussions or negotiations between the Parties, the execution of any documents or any of the terms of the Transaction.

11. Notices

All notices that are required or permitted hereunder shall be in writing and shall be sufficient if personally delivered or sent by registered or certified mail, facsimile message or Federal Express or other nationally recognized overnight delivery service. Any notices shall be deemed given upon the earlier of the date when received at, or the third day after the date when sent by registered or certified mail or the day after the date when sent by Federal Express or facsimile to, the address or facsimile number set forth below, unless such address or facsimile number is changed by notice to the other Parties:

If to the Seller: b-there.com corp.
228 Saugatuck Avenue
Westport, CT 06880
Attn: Chairman of the Board
FAX: 203.221.1639

with a required copy to:

Wiggin & Dana LLP
400 Atlantic Street
Stamford, CT 06901
Attn: William A. Perrone, Esq.
Fax: 203.363.7676

If to the Buyer: StarCite, Inc.
1650 Arch Street, 18th Floor

Philadelphia, PA 19103
Attn: John Pino
FAX: 267.330.0501

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with a required copy to:

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-6993
Attn: Stephen Goodman, Esquire
FAX: 215.963.5001

13. Governing Law.

This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Delaware without regard to any choice of law or conflict of law, choice of forum or other provision, rule or principle (whether of the State of Delaware or any other jurisdiction) that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. The Parties hereby irrevocably (a) submit themselves to the non-exclusive jurisdiction of the state and federal courts sitting in the State of Delaware and (b) waive the right and hereby agree not to assert by way of motion, as a defense or otherwise in any action, suit or other legal proceeding brought in any such court, any claim that it, he or she is not subject to the jurisdiction of such court, that such action, suit or proceeding is brought in an inconvenient forum or that the venue of such action, suit or proceeding is improper. Each Party also irrevocably and unconditionally consents to the service of any process, pleadings, notices or other papers in a manner permitted by the notice provisions of Section 11. EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

[THIS SPACE INTENTIONALLY LEFT BLANK]

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

BUYER:

STARCITE, INC.

By: 
Name: _____
Title:

SELLER:

b-there.com corp.

By: _____
Name:
Title:

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

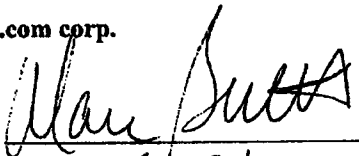
BUYER:

STARCITE, INC.

By: _____
Name:
Title:

SELLER:

b-there.com corp.

By: 
Name: MARC BUTLEIN
Title: CHAIRMAN of the BOARD

Schedule 4.16(d)
Intellectual Property – Trademarks

has applied for the following U.S. trademarks:

TRADEMARK	APPL. NO.	FILED	STATUS	REG. NO.	ISSUED	RENEWAL
MEMBERSHIP ELEMENT	76/071700	6/16/00	Registered (Supplemental Register)	2610852	8/20/02	8/20/2012
MEMBER	75/679290	4/09/99	Registered	2493179	9/25/01	9/25/2011
MEMBER	75/679286	4/09/99	Registered	2543311	2/26/02	2/26/2012
MEMBER	75/679288	4/09/99	Registered	2416971	1/02/01	1/02/2011
MEMBER	75/679285	4/09/99	Registered	2445615	4/24/01	4/24/2011
MEMBER	75/678724	4/09/99	Registered	2410046	12/05/00	12/05/2010
	78/095006	11/26/01	Abandoned			

has applied for the following European trademark:

TRADEMARK	APPL. NO.	FILED	STATUS
	2692291	5/10/02	There is a registration fee of \$2,036.24 due by August 27, 2003; the Seller has decided not to pay this fee; therefore the application will eventually lapse for non-payment of said fee.

has applied for the following Swiss trademark:

TRADEMARK	APPL. NO.	FILED	STATUS	REG. NO.	ISSUED	RENEWAL
	04248/2002	5/10/02	Registered	502748	9/19/2002	5/10/2012

Schedule 5.9
Intellectual Property
Trademark and Patent Overview

Trademarks Pending

Number of applications have been submitted to U.S. Patent and Trademark office, which were for previously used spellings of the Company's name and services, including:

- "S and Design" (serial # 75726172) - DEAD
- "STAR-CITE!" (serial 75724140) - DEAD
- "STAR-CITE" (serial 75723850) - DEAD
- "STARCITE!" (serial 75723774) - DEAD
- "HEALPLANNER EN" (serial 75692490) - DEAD
- "STAR-CITE! SOLUTIONS" (serial 75658453) - DEAD
- "HEALPLANNER" (serial 75658215) - DEAD
- "HEALPLANNER LT" (serial 75643500) - DEAD
- "HEALPLANNER.COM" (serial 75643419) - DEAD

These trademarks are no longer being pursued, as they do not apply to the Company's products and services.

Company also has filed Trademark / Service Mark applications on the following and will continue to pursue these through final approval from the Trademark

- "STARCITE" and Design (file # 210212-0012) (serial# 75723575 and 75723602) - LIVE
- "MEETINGS HAPPEN" (serial #75897294, ff# 210212-0013)
- "EIVEIO" (serial # 76368307) - LIVE
- "PRKPP" (serial 76368306) - LIVE
- "E" (ff# 210212-0018) - LIVE
- "S and Design" (serial # 76/430,445)
- "MEETINGS PLATFORM" (serial # 76/460,336)

Of the filings listed above have been made by:

Michael Lovitz, Esq.; Roberta Jacobs-Meadway, Esq.; or
Edgar LaVine, Esq. (now handling all pending applications)

King Gump, Strauss, Hauer & Feld, L.L.P.

Commerce Square
Market Street #2200
Philadelphia, PA 19103
610-591-1247

kinggump.com

NOTES

CEO Software, Inc. also intends to submit a Patent application to the U.S. Patent and
Trademark Office for the company's proprietary Dynamic Negotiation Application
process and is in the process of completing documentation requested by our
attorneys.

The patent filing will be handled by:

Michael Colon, Esq.
King Gump, Strauss, Hauer & Feld, L.L.P.

Commerce Square
Market Street #2200
Philadelphia, PA 19103
610-591-1247

kinggump.com

Registration Product Trademark

CEO Software, Inc. may also be submitting Trademark / Service Mark applications for the following

"The Integrated Meetings Platform"

"Meeting Manager"

License Agreement by and between Sharemedia and StarCite dated September

License and Support Agreement by and between CEO Software, Inc. and
September 23, 1999.