

immediately available not later than the due date of the payment being made by such check) to the order of the Registered Holder of such share which check shall be mailed by United States certified or registered mail, return receipt requested, to the address for such Registered Holder shown on the Corporation's records.

(b) When Payment Deemed to Have Been Made. Any payment at any time due with respect to any share of Series D Stock (including but not limited to any payment due on such share under Section 2) shall be deemed to have been paid by the Corporation at the time the Corporation shall have received a receipt therefor from the U.S. postal service (subject to the right of the holder to demand and receive a substitute check if the original check is not received).

3.4. Registration and Transfer.

(a) The Corporation will keep or cause to be kept a register for the registration of the shares of Series D Stock.

(b) The Corporation will record a transfer in such register of any share or shares of Series D Stock and all rights evidenced thereby upon the request of the Registered Holder thereof in person or by duly authorized attorney upon the surrender of the certificate(s) representing such share of Series D Stock with the form of assignment set forth on the reverse of such certificate properly completed and executed, properly endorsed at the Corporation's principal office. For so long as such certificate bears any legend to such effect, prior to any registration of transfer of any shares of Series D Stock, the Corporation shall have received an appropriate investment representation for purposes of confirming the availability of an exemption from applicability of the registration provisions of the Securities Act of 1933, as amended, signed by the Registered Holder of such shares of Series D Stock, and an opinion of counsel reasonably acceptable to the Corporation to the same effect.

(c) Upon the surrender of any certificate representing shares of Series D Stock at the Corporation's principal office, the Corporation will, at the request of the registered holder of such certificate, execute and deliver, at the Corporation's expense, a new certificate or certificates in exchange representing the number of shares of Series D Stock represented by the surrendered certificate. Each such new certificate shall be registered in the name of such Registered Holder or, if any such shares are to be transferred to another person in compliance with this Section 3.4, such other person and shall represent such number of shares of Series D Stock as shall be requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, provided that that if the certificate is to be issued in a name other than that of a Registered Holder, the Corporation shall not be required to issue or deliver any such certificate unless and until the person requesting the issuance thereof shall have paid to the Corporation the amount of any tax that may be payable with respect to any transfer involved in the issuance and delivery of such certificate or has established to the satisfaction of the Corporation that such tax has been paid.

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3.5. Replacement Certificates. Upon receipt by the Corporation of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of Series D Stock (an affidavit of the Registered Holder, shall be satisfactory) the Corporation at its expense will execute and deliver in lieu of such certificate, a new certificate of like kind, representing the number of shares of Series D Stock which shall have been represented by such lost, stolen, destroyed, or mutilated certificate. If required by the Corporation, an indemnity bond sufficient in the judgment of the Corporation to protect itself from any loss which it may suffer if a certificate is replaced must be delivered. The Corporation may charge such Registered Holder for reasonable expenses directly related to replacing the certificate.

4. Interpretation of this Instrument.

4.1. Definitions. As used in this Certificate of Designation, each term defined in this Section 4.1 has the meaning set forth below:

(a) Business Day. The term "Business Day" means any day except Saturday, Sunday and any day which shall be in New York or Texas a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close.

(b) Certificate of Designation. The term "Certificate of Designation" means this Certificate of Designation, Preferences and Rights of the Series D Convertible Preferred Stock of the Corporation.

(c) Conversion Price. The term "Conversion Price" means the Initial Conversion Price, as such price may be adjusted from time to time pursuant to the provisions of Section 6 hereof.

(d) Conversion Share. The term "Conversion Share" means one share of the Corporation's authorized Common Stock, provided that if under the provisions hereof, there shall be a change in the class of securities purchasable hereunder or such that the securities purchasable hereunder shall be issued by an entity other than the Corporation, the term "Conversion Share" shall mean one share of the security purchasable upon the exercise of the rights granted hereunder if such security shall be issuable in shares or shall mean the smallest unit in which such security shall be issuable if such security shall not be issuable in shares.

(e) Common Stock. The term "Common Stock" designates and includes the Corporation's common stock, par value \$0.00002 per share.

(f) Derivative Securities. The term "Derivative Securities" means any Options (as hereinafter defined in Section 6.2(a)(i)), Convertible Securities (hereafter defined in Section 6.2(a)(ii)) or rights to subscribe for, purchase or otherwise acquire shares of Convertible Securities.

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(g) Dividend Rate. The term "Dividend Rate" means the rate of 8% per share of Series D Stock per annum of the Liquidation Value (determined without regard to dividends accrued but unpaid since the last Quarterly Dividend Payment Date).

(h) Effective Date. The term "Effective Date" means the effective date of this Certificate of Designation.

(i) Initial Closing Date. The term "Initial Closing Date" means the date on which the transactions contemplated by the Subscription Agreement dated December 5, 2000 among the Corporation and the investors listed therein.

(j) Initial Conversion Price. The term "Initial Conversion Price" means \$6.00; provided, however, that if, as of January 31, 2001, the aggregate Liquidation Value (excluding accrued but unpaid dividends and Series D Stock issued as a dividend on Series D Stock) of any or all Series D Stock issued and outstanding after the Initial Closing Date but on or prior to January 31, 2001 is less than \$10,000,000, then the Initial Conversion Price shall be automatically increased, effective as of the Effective Date, by increasing the Initial Conversion Price by the dollar amount obtained from the calculation of the following formula:

$$\begin{array}{r} \$10,000,000 - X \times \$1.00 \\ \hline \$10,000,000 \end{array}$$

X = the aggregate Liquidation Value (excluding accrued but unpaid dividends and Series D Stock issued as a dividend on Series D Stock) for shares of Series D Stock issued after the Initial Closing Date and on or prior to January 31, 2001.

(k) Majority Holders. The term "Majority Holders" means those holders of a majority of the then issued and outstanding shares of Series D Stock.

(l) Market Price. The term "Market Price" of any security means the average of the closing prices of such security's sales on all securities exchanges (including the Nasdaq National Market) on which such security may at the time be listed, or, if there has been no sale on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such security is not so listed, the average of the representative bid and asked prices quoted on the NASDAQ System as of 4:00 P.M., New York City time, or, if on any day such security is not quoted on the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which the "Market Price" is being determined and the 20 consecutive business days prior to such day. If at any time such security is not listed on any securities exchange or quoted on the NASDAQ System or the over-the-counter market, the "Market Price" will be the fair market value thereof determined by a majority of the Board of Directors of the Corporation.

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(m) Outstanding Applicable Shares. The term "Outstanding Applicable Shares" means, at any time, (a) the number of shares of Common Stock issuable upon conversion of Series D Stock issued and outstanding at such time, plus (b) additional shares of Common Stock issued, or issuable by the Corporation upon exercise of all Derivative Securities issued by the Corporation, in connection with one or more successive Subsequent Financings which involve an aggregate consideration of \$33,000,000.

(n) Person. The term "Person" means any individual, sole

proprietorship, partnership (including a limited partnership), joint venture, trust, unincorporated organization, association, corporation, institution, public benefit company, limited liability company, joint stock company, government entity (whether federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof) or other entity.

(o) Public Offering. The term "Public Offering" means any firmly underwritten public offering of the equity securities of the Corporation by one or more investment banks which is sold pursuant to a registration statement filed by the Corporation pursuant to the Securities Act of 1933, as amended, or any comparable statement under any similar federal statute then in force, other than an offering in connection with an employee benefit plan.

(p) Subsequent Financing. The term "Subsequent Financing" means the sale or issuance by the Corporation following the Initial Closing Date of Common Stock or Derivative Securities of the Corporation for cash in a financing or series of financings.

(q) Subsidiary. The term "Subsidiary" means any Person of which the Corporation shall at the time own directly or indirectly through another Subsidiary 50% or more of the outstanding voting capital stock (or other shares of beneficial interest with voting rights), or which the Corporation shall otherwise control.

(r) Trading Day. The term "Trading Day" means any Business Day in which the Common Stock may be traded in a securities market or exchange in the United States.

5. Conversion Rights.

(a) Conversion Rights.

(i) Optional Conversion by the Holder. At any time or from time to time prior to the earlier to occur of (x) the Corporation Conversion Date (as defined below) or (y) the Mandatory Conversion Date (as defined below), each Registered Holder shall have the right to convert any or all of such Registered Holder's shares of Series D Stock into the number of shares of fully paid and nonassessable shares of Common Stock derived by dividing the Liquidation Value of each such share by the Conversion Price by delivering the certificate representing such shares to the Corporation, duly endorsed in blank or

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accompanied by an appropriate form of assignment duly endorsed in blank, together with a written notice stating that the Registered Holder is converting such shares;

(ii) Mandatory Conversion. On the date following the completion by the Corporation of an underwritten offering with proceeds of no less than \$50 million at a price per share of no less than \$35.80 (as appropriately adjusted to give effect to any stock split, any reverse stock split, any stock divided or any similar transaction) (the "Mandatory Conversion Date"), each share of Series D Stock shall, automatically and without further action on the part of any Registered Holder of Series D Stock, be converted into the number of shares of fully paid

and nonassessable Common Stock derived by dividing the Liquidation Value of each such share on such date by the Conversion Price, provided that for the preceding three consecutive calendar months the trading volume for shares of common stock of the Corporation has equaled or exceeded 700,000 shares per month. Upon such conversion, each share of Series D Stock shall be canceled and not subject to reissuance;

(iii) Optional Conversion by the Corporation. At any time that (i) any shares of the Series D Stock are outstanding and (ii) during the thirty (30) Trading Days following the last of any ten consecutive Trading Days (the "Trigger Date") for which the average Market Price of the Common Stock equals or exceeds \$35.80 per share (as appropriately adjusted to give effect to any stock split, any reverse stock split, any stock divided or any similar transaction) (the "Target Price"), the Corporation may (but has no obligation to) elect to convert each outstanding share of Series D Stock (automatically and without further action on the part of any holder of outstanding shares of Series D Stock) into the number of shares of fully paid and nonassessable shares of Common Stock derived by dividing the Liquidation Value of each such share on the conversion date by the Conversion Price, provided that for the three consecutive calendar months ended on the last day of the month immediately preceding the month in which the Corporation Conversion Notice (as hereinafter defined) was delivered, the trading volume for shares of Common Stock of the Corporation has equaled or exceeded 700,000 shares per month. Upon such conversion, each share of Series D Stock shall be canceled and not subject to reissuance. An optional conversion by the Corporation pursuant to this paragraph 5.1(a)(iii) shall be deemed to have taken place on the fifth (5th) Business Day following the delivery by the Corporation of written notice (the "Corporation Conversion Notice") to the holders of shares of Series D Stock that the Corporation has elected to convert the outstanding shares of Series D Stock pursuant to this Section 5.1(a)(iii). The failure of the Corporation to elect to convert the shares of Series D Stock following any particular Trigger Date shall not prejudice in any manner the Corporation's rights under this paragraph 5.1(a)(iii) with respect to any other Trigger Date.

(b) Delivery of Series D Certificates. Following a conversion pursuant to Section 5(a)(ii) or (iii), each holder of Series D Stock shall be entitled to receive a

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certificate or certificates representing the shares of Common Stock into which such holder's Series D Stock was converted upon surrender by such holder at the place specified in the Mandatory Conversion Notice or Corporate Conversion Notice of the certificate representing such shares of Series D Stock, duly endorsed in blank or accompanied by an appropriate form of assignment duly endorsed in blank. Each share of Series D Stock surrendered pursuant to Section 5(a)(i) or this Section 5(b) shall constitute payment of the Conversion Price equal to the Liquidation Value of such share surrendered.

(c) Delivery of Certificates for Conversion Shares. Certificates for Conversion Shares shall be issued and delivered to the Registered Holder of the converted shares of Series D Stock within 15

days after the delivery of the certificates representing the shares of Series D Stock to be converted. Unless all of the shares of Series D Stock evidenced by any certificate delivered shall have been converted, the Corporation shall within a 15 day period prepare a new certificate, substantially identical to that surrendered, representing the balance of the shares of Series D Stock formerly represented by the certificate which shall not have been converted and shall within such 15 day period deliver such certificate to the Registered Holder thereof.

(d) Fractional Shares. The Corporation may, if it so elects, issue fractional shares of Common Stock or scrip representing fractional shares upon the conversion of shares of Series D Stock. If the Corporation does not elect to issue fractional shares, the Corporation shall pay to the holder of the shares of Series D Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the day of such conversion. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series D Stock being converted at any one time by any holder thereof, not upon each share of Series D Stock being converted.

(e) Authorization and Issuance. The Corporation covenants and agrees that:

(i) the Conversion Shares issuable upon any conversion of any shares of Series D Stock shall be deemed to have been issued to the Registered Holder of such shares of Series D Stock at the time of such conversion, such Registered Holder shall be deemed for all purposes to have become the Registered Holder of such Conversion Shares at such time;

(ii) all Conversion Shares which may be issued upon any conversion of any shares of Series D Stock will, upon issuance, be fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof;

(iii) subject to clause (f) below, the Corporation will take all such action as may be necessary to assure that all Conversion Shares issuable upon conversion of Series D Stock may be issued without violation of any applicable

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law or regulation or of any requirements of any domestic securities exchange upon which securities of the same class may be listed. The Corporation will not take any action which would result in any adjustment of the Conversion Price if the total number of shares of Common Stock issuable after such action upon conversion of all Series D Stock together with all shares of Common Stock then outstanding and all shares of Common Stock then issuable upon the exercise of all outstanding options, warrants, conversion and other rights, would exceed the total number of shares of Common Stock then authorized by the Corporation's Certificate of Incorporation;

(iv) the issuance of certificates for shares of Common Stock issuable upon conversion shall be made without charge to the Registered Holder; provided, however, that if any certificate is to be issued in a name other than that of the Registered Holder of the shares being converted, the

Corporation shall not be required to issue or deliver any such certificate unless and until the person requesting the issuance thereof shall have paid to the Corporation the amount of any tax that may be payable with respect to any transfer involved in the issuance and delivery of such certificate or has established to the satisfaction of the Corporation that such tax has been paid;

(v) the Corporation will at no time close its transfer books against the transfer of the Series D Stock or of any Conversion Share issued or issuable upon the conversion of the Series D Stock in any manner which interferes with the timely conversion of the Series D Stock; and

(vi) the Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of issuance upon conversion of the outstanding shares of Series D Stock, such number of shares of Common Stock as shall be issuable upon the conversion of all such shares of Series D Stock then outstanding.

(f) Notwithstanding anything to the contrary contained herein, if, as a result of an adjustment to the Conversion Price, a holder of Series D Stock would receive a number of shares of Common Stock that would require approval by the Corporation's stockholders pursuant to the rules of the Nasdaq stock market upon conversion of such holders' shares of Series D Stock, then (i) the number of shares of Series D Stock that can be converted at such time shall consist of the number of shares of Series D Stock that are convertible into the maximum number of shares of Common Stock that may be received by such holder without triggering such stockholder approval requirement and (ii) the Corporation shall use its commercially reasonable efforts to obtain such stockholder approval.

6. Anti-dilution Provisions.

6.1. Conversion Price Adjustment. Until the earlier of (a) the second anniversary of the Initial Closing Date and (b) the date immediately after the date on which the

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Corporation has received aggregate consideration of \$33,000,000 in connection with one or more successive Subsequent Financings, if and whenever the Corporation sells or issues, or in accordance with Section 6.2 is deemed to have sold or issued, any shares of Common Stock (other than Excepted Shares) for a consideration per share less than the Conversion Price in effect immediately prior to the time of such sale or issuance ("Additional Stock"), then upon such sale or issuance the Conversion Price in effect immediately prior to each such issuance shall be automatically adjusted to a price equal to the result obtained by multiplying such Conversion Price by the quotient obtained by dividing the total computed under clause (x) below by the total computed under clause (y) below as follows:

- (x) an amount equal to the sum of (a) the aggregate number of shares of Outstanding Applicable Shares immediately prior to such issuance plus (b) the aggregate consideration, if any, received by the Corporation for the issuance or deemed issuance of such Additional Stock divided by the Conversion Price in effect immediately prior to the issuance of such Additional Stock;

- (y) an amount equal to the sum of (a) the aggregate number of shares of Outstanding Applicable Shares immediately prior to such issuance, plus (b) the number of such shares of Additional Stock so issued or deemed issued.

Notwithstanding the foregoing, there will be no adjustment of the Conversion Price as a result of issuances or deemed issuances of shares of Common Stock (appropriately adjusted for any subsequent stock dividend, stock split, combination of shares, recapitalizations or other reorganization) issued for incentive or compensatory purposes to directors, officers and employees of the Corporation pursuant to any employee stock option plan, stock bonus plan, stock purchase plan or other management equity program of the Corporation that has been approved by the Compensation Committee or Stock Option Committee of the Board of Directors of the Corporation, as applicable (collectively, the "Excepted Shares").

6.2. Effect on Conversion Price of Certain Events.

(a) For purposes of determining the adjusted Conversion Price under Section 6.1, the following will be applicable:

(i) Issuance of Rights, Warrants or Options. If the Corporation in any manner grants, sells or issues in connection with a Subsequent Financing, any right, warrant or option to subscribe for or to purchase Common Stock (each such right, warrant or option being herein called an "Option"), and the price per share for which shares of Common Stock are issuable upon the exercise of any Option is less than the Conversion Price in effect immediately prior to the time of the granting, sale or issuance of such Option (a "Dilutive Option"), then adjustment shall be made to the Conversion Price as described in Section 6.1 and in determining such adjustment the maximum number of shares of Common Stock issuable upon exercise of such Dilutive Option shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the sale or

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issuance of such Dilutive Option for such price per share. For purposes of this Section 6.2(a)(i), the "price per share for which Common Stock is issuable" shall be determined separately for each Option by dividing (x) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Option, plus the minimum amount of additional consideration payable to the Corporation upon exercise of such Option, plus in the case of an Option which relates to a Convertible Security, the minimum amount of additional consideration, if any, payable to the Corporation upon the sale or issuance of such Convertible Security and the conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the exercise of such Option or upon the conversion or exchange of such Convertible Security issuable upon the exercise of such Option. No further adjustment of the applicable Conversion Price shall be made when Convertible Securities are actually issued upon the exercise of such Option or when Common Stock is actually issued upon the exercise of such Option or the conversion or exchange of such Convertible Security.

(ii) Issuance of Convertible Securities. If the Corporation in any manner sells or issues in connection with a Subsequent Financing, any shares or other securities convertible into or exchangeable for Common Stock (each such convertible or exchangeable share or security being herein called a "Convertible Security") and the price per share

for which shares of Common Stock are issuable upon conversion or exchange thereof is less than the Conversion Price in effect immediately prior to the time of such sale or issue (a "Dilutive Convertible Security"), then adjustment shall be made to the Conversion Price as described in Section 6.1 and in determining such adjustment the maximum number of shares of Common Stock issuable upon conversion or exchange of such Dilutive Convertible Security shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the sale or issuance of such Dilutive Convertible Security for such price per share. For the purposes of this Section 6.2(a)(ii), the "price per share for which shares of Common Stock are issuable" shall be determined by dividing (i) the total amount received or receivable by the Corporation as consideration for the sale or issue of such Convertible Security, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of such Convertible Security. No further adjustment of the applicable Conversion Price shall be made when shares of Common Stock are actually issued upon the conversion or exchange of such Convertible Security, and if any such sale or issue of such Convertible Security is made upon exercise of any Option for which adjustments of the Conversion Price had been or are to be made pursuant to other provisions of this Section 6, no further adjustment of the applicable Conversion Price shall be made by reason of such sale or issue.

(iii) Change in Option Price or Conversion Rate. If the purchase price provided for in any Option referred to above, the additional consideration (if any) payable upon the issue, conversion or exchange of any Convertible Security referred to above or the rate at which any Convertible Security referred to above is convertible into or exchangeable for Common Stock changes at any time, the Conversion Price in effect at the time of such change shall be readjusted to the applicable Conversion Price which

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would have been in effect at such time had such Option or Convertible Security originally provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, sold or issued.

(b) For purposes of determining the price per share for which Common Stock is issuable under Section 6.2, the following will be applicable:

(i) Treatment of Expired Options and Unexercised Convertible Securities. Upon the expiration or termination of any Option or the termination of any right to convert or exchange any Convertible Security without the exercise of any such Option or right, the Conversion Price then in effect hereunder will be adjusted to the Conversion Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Security, to the extent outstanding immediately prior to such expiration or termination, never been issued.

(ii) Calculation of Consideration Received. If any Common Stock, Option or Convertible Security is sold or issued or deemed to have been sold or issued for cash, the consideration received therefor will be deemed to be the gross amount received by the Corporation therefor. In case any Common Stock, Option or Convertible Security is issued for a consideration other than cash, the amount of the consideration other than cash received by the Corporation will be the fair market value of such consideration, except where such

consideration consists of securities, in which case the amount of consideration received by the Corporation will be the Market Price thereof as of the date of receipt. If any Common Stock, Option or Convertible Security is issued in connection with any merger in which the Corporation is the surviving corporation, the amount of consideration therefor will be deemed to be the fair market value of such portion of the net assets and business of the non-surviving corporation as is attributable to such Common Stock, Option or Convertible Security, as the case may be. The fair market value of any consideration other than cash and securities will be determined by a majority of the Board of Directors of the Corporation in good faith within seven (7) calendar days after the occurrence of an event requiring valuation and such determination will be delivered to all holders of Series D Stock. For purposes of this clause (ii), if any Common Stock, Option or Convertible Security is sold or issued in exchange for shares of Telnext Stock, the consideration received for such Telnext Stock shall be deemed to be \$6.00 per share.

(iii) Treasury Shares. The number of shares of Common Stock outstanding at any given time does not include shares owned or held by or for the account of the Corporation or any wholly-owned Subsidiary, and the disposition of any shares so owned or held other than to the Corporation or any wholly-owned Subsidiary will be considered a sale or issue of shares of Common Stock.

(iv) Record Date. If the Corporation takes a record of the holders of shares of Common Stock for the purpose of entitling them to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date

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will be deemed to be the date of the sale or issue of the shares of Common Stock deemed to have been sold or issued upon the declaration of such dividend or upon the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

6.3. Adjustment of Number of Shares. In order to prevent dilution of the rights granted hereunder, the Conversion Price shall be subject to adjustment from time to time in accordance with this Section 6. At any given time the Conversion Price, whether as the Initial Conversion Price or as last adjusted, shall be that dollar (or part of a dollar) amount the payment of which shall be sufficient at the given time to acquire one Conversion Share. Upon each adjustment of the Conversion Price pursuant to this Section 6, the Registered Holder of the shares of Series D Stock shall thereafter be entitled to acquire upon exercise, at the Conversion Price resulting from such adjustment, the number of Conversion Shares obtainable by multiplying the Conversion Price in effect immediately prior to such adjustment by the number of Conversion Shares acquirable immediately prior to such adjustment and dividing the product thereof by the Conversion Price resulting from such adjustment.

6.4. Subdivision or Combination of Stock; Stock Dividends. In case the Corporation shall at any time subdivide its outstanding shares of Common Stock into a greater number of shares or declare a dividend or other distribution payable in shares of Common Stock, the Conversion Price in effect immediately prior to such subdivision, dividend or distribution shall be appropriately reduced, and, conversely, in case the outstanding shares of Common Stock of the Corporation shall be combined into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased.

6.5. Reorganization, Reclassification or Deemed Liquidation.

If (a) any capital reorganization or reclassification of the capital stock of the Corporation shall be effected in such a way that the holders of Common Stock shall be entitled to receive stock, securities or assets with respect to or in exchange for Common Stock, or (b) the holders of the Series D Stock do not vote to treat a Deemed Liquidation as a liquidation, dissolution or winding up of the affairs of the Corporation pursuant to Section 2 hereof, then, as a condition of such reorganization, reclassification or Deemed Liquidation, lawful and adequate provision shall be made whereby the Registered Holders of the shares of Series D Stock shall thereafter have the right to acquire and receive upon conversion of the shares of Series D Stock such shares of stock, securities or assets as would have been issuable or payable (as part of the reorganization, reclassification or Deemed Liquidation) with respect to or in exchange for such number of outstanding shares of the Corporation's Common Stock as would have been received upon conversion of the Series D Stock immediately before such reorganization, reclassification or Deemed Liquidation, and in any such case appropriate provisions shall be made with respect to the rights and interests of the holders of the Series D Stock to the end that the provisions hereof (including without limitation provisions for adjustments of the Conversion Price and of the number of Conversion Shares acquirable and receivable upon the conversion of the Series D Stock) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the conversion of the Series D Stock.

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6.6. Notices.

(a) In the event that:

(i) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, or consolidation or merger of the Corporation with, or sale of all or substantially all of its assets to, another corporation; or

(ii) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in connection with such event, the Corporation shall give to the Registered Holders of the shares of Series D Stock at least twenty (20) days prior written notice of the date when the same shall take place.

Such notice shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger or sale, dissolution, liquidation or winding up, as the case may be. Each such written notice shall be given by first class mail, postage prepaid, address to the Registered Holders of the Series D Stock.

(b) Promptly upon any adjustment to the Conversion Price for the Series D Stock, the Corporation will deliver written notice thereof to all holders of such Series D Stock.

6.7. Certain Events. If any event occurs as to which, in the opinion of the Board of Directors of the Corporation, the provisions of this Section 6 are not strictly applicable or if strictly applicable would not fairly protect the rights of the holders of the Series D Stock in accordance with the essential intent and principles of such provisions, then a majority of the Board of Directors shall make an adjustment in the application of such provision, in accordance with such essential intent and principles, so as to protect such rights as aforesaid, but in no event shall any adjustment have the effect of

increasing the Conversion Price as otherwise determined pursuant to any of the provisions of this Section 6 except in the case of a combination of shares of a type contemplated in Section 6.5.

and be it RESOLVED FURTHER, that the Secretary of this corporation be, and is hereby authorized, empowered and directed, for and on behalf of this corporation, to file the Certificate of Designations with the Secretary of State of the State of Delaware, with any amendments or modifications thereto as he shall deem necessary and proper, the filing of the Certificate of Designations by such officer shall conclusively evidence his authority therefor.

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IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of December, 2000, and we hereby affirm that the foregoing Certificate is my act and deed and the act and deed of the Corporation and that the facts stated therein are true.

/s/ Stuart J. Chasanoff

Stuart J. Chasanoff
Senior Vice President and Secretary

EX-9 OTHERDOC

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VOTING AGREEMENT DATED DECEMBER 5, 2000

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EXHIBIT 9

eVENTURES GROUP, INC.

VOTING AGREEMENT

This VOTING AGREEMENT (this "Agreement") is made as of December 5, 2000, by and among eVentures Group, Inc., a Delaware corporation (the "Company"), Rock Creek Partners II, Ltd., a Florida limited partnership ("Rock Creek"), CB Private Equity Partners L.P., a Delaware limited partnership ("CrossBow"), and the subsequent purchasers of the Company's Series D Convertible Preferred Stock, par value \$0.00002 per share (the "Series D Stock") who become parties to this Agreement (collectively, with Rock Creek and CrossBow, the "RC/CB Series D Investors").

Recitals

A. The Company, Rock Creek and CrossBow propose to enter into a Subscription Agreement dated as of even date herewith (the "Subscription Agreement") providing for the purchase of Common Stock and Series D Stock of the Company by Rock Creek and CrossBow.

B. In order to induce Rock Creek and CrossBow to enter into the Subscription Agreement, the Company and the RC/CB Series D Investors desire to specify in this Agreement how certain of the voting rights of the shares of the

Series D Stock of the Company currently held by, or issuable or issued in the future to, the RC/CB Series D Investors (the "Shares") will be exercised.

NOW, THEREFORE, the parties, intending to be legally bound, hereby agree as set forth herein:

1. Agreement to Vote for Rock Creek Director.

(a) At all times as the holders of the Series D Stock are entitled to appoint a director to the Board of Directors of the Company pursuant to the Company's Certificate of Designation, Preferences and Rights of the Series D Stock:

(i) The RC/CB Series D Investors agree to vote all of their respective Shares at any annual, regular or special meeting of shareholders of the Company, or, in lieu of any such meeting, to give their written consent, to elect one individual nominated by Rock Creek to a Series D Stock Director seat (the "Rock Creek Director"). In addition, the RC/CB Series D Investors shall use their commercially reasonable efforts to cause the board of directors of the Company (the "Board of Directors") to elect the Rock Creek Director to all committees of the Board of Directors; provided, however, such appointment to committees shall not violate any applicable law, rule or regulation or any listing rule or requirement of the Nasdaq National Market or other

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exchange on which the Company's securities are listed. The Rock Creek Director shall be reimbursed in accordance with the Company's reimbursement policy for reasonable travel expenses incurred in connection with his or her attendance at meetings of the Board of Directors and its committees.

(ii) Rock Creek shall be entitled to propose the removal from the board of any Rock Creek Director nominated by it pursuant to Section 1(a)(i) to nominate each successor to any director removed in accordance with this clause (ii).

(b) At all times as the holders of the Series D Stock are entitled to appoint an observer to the Board of Directors of the Company, one individual nominated by Rock Creek (the "Rock Creek Observer") shall have the right to participate telephonically in all meetings of the Board of Directors in a non-voting observer capacity (other than any meetings of any committees of the Board of Directors or any executive sessions of the Board of Directors) and shall receive notice of any and all such meetings to which it is entitled to participate pursuant to this Section 1(b) not later than the Company provides such notices to its directors.

2. Procedures for Nomination and Removal. Each nomination or any proposal to remove from the Board of Directors any director nominated pursuant to Section 1(a)(i) shall be made by delivering to the Company a notice signed by the party entitled to effect such nomination or proposal. Subject to the Company's Amended and Restated Certificate of Incorporation, as promptly as practicable after delivery of such notice, the Company shall take or cause to be taken such corporate actions as may be reasonably required to cause the election or removal proposed in such notice. Such corporate actions may include, without limitation, calling a meeting or soliciting a written consent of the Board of Directors, or calling a meeting or soliciting a written consent of the RC/CB Series D Investors.

3. Subsequent Issuance of Series D Stock. The Company shall not issue any new shares of Series D Stock to any purchaser of Series D Stock introduced to the Company by Rock Creek or CrossBow unless and until the person or entity to whom such shares are to be issued shall have executed a written agreement, reasonably satisfactory in form and substance, pursuant to which such person becomes a party to this Agreement and agrees to be bound by all the provisions hereof as if such person were the purchasing party hereunder.

4. Successors and Assigns. Except as otherwise expressly provided in this Agreement, the provisions hereof including, without limitation, any amendment or waiver of the observance thereof effected in accordance with Section 12, shall inure to the benefit of, and be binding upon, the successors in interest to, and permitted assigns of, the Shares of any RC/CB Series D Investor. The Company shall not permit the transfer of any Shares on its books or the issuance of a new certificate representing any Shares unless and until the person to whom such security is to be transferred shall have executed a written agreement, reasonably satisfactory in form and substance, pursuant to which such person becomes a party to this Agreement and agrees to be bound by all the provisions hereof as if such person were the transferring party hereunder.

5. Stock Splits, Stock Dividends, etc. In the event of any stock split, stock dividend, recapitalization, reorganization, or the like, any securities issued in connection therewith in respect

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of the Shares shall be deemed to be Shares for purposes of this Agreement and shall be endorsed with the legend set forth in Section 5.

6. Legend. Each certificate representing any Shares shall be endorsed by the Company with the following legend:

THE SHARES EVIDENCED HEREBY ARE SUBJECT TO A VOTING AGREEMENT DATED AS OF DECEMBER 5, 2000, A COPY OF WHICH IS ON FILE AND MAY BE INSPECTED AT THE PRINCIPAL OFFICE OF THE ISSUER DURING ITS REGULAR BUSINESS HOURS. ANY PERSON ACCEPTING ANY INTEREST IN SUCH SHARES SHALL THEREBY BE DEEMED TO HAVE AGREED TO AND SHALL THEREAFTER BE BOUND BY ALL THE PROVISIONS OF SUCH VOTING AGREEMENT.

7. Notices. Any notice required or permitted to be given to a party pursuant to the provisions of this Agreement shall be in writing and shall be effective upon personal delivery (including, without limitation, by way of nationally recognized overnight delivery service) upon receipt by sender of confirmation of transmission by facsimile, or five business days after deposit in the U.S. mail, by certified mail or registered mail, return receipt requested, postage prepaid and properly addressed to the party to be notified as set forth on the Company's books and records or at such other address as such party may designate by 10 days' advance written notice to the other parties hereto.

8. Governing Law. This Agreement shall be governed by and construed under the internal laws of the State of Delaware without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

9. Specific Performance; Injunctive Relief. Each of the parties acknowledges and agrees that money damages would not be an adequate remedy for any breach of the provisions of this Agreement and that any party may, in such party's sole discretion and in addition to or in lieu of any other remedies available to such party at law or in equity, apply to any court of competent jurisdiction for specific performance or injunctive relief in order to enforce, or prevent any violation of, the provisions of this Agreement.

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

11. Integration. This Agreement embodies the complete agreement of the

parties on the subject matter hereof and supersedes any prior or contemporaneous understandings, agreements or representations by or among them that may relate to the subject of matter hereof, including the Restated Agreement.

12. No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties, and nothing contained herein shall give any other person or entity any legal or equitable right, remedy or claim under or with respect to this Agreement.

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13. Amendments and Waivers. This Agreement or any provision hereof may be amended and the observance of any provision hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the holders of two-thirds of the outstanding shares of Series D Stock. The failure of any party to enforce any provision of this Agreement shall in no way be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement.

14. Termination. This Agreement shall terminate upon the earlier to occur of (a) the sale of all or substantially all of the Company's assets to another entity or upon a merger, consolidation or reorganization in which transaction the Company's stockholders immediately prior to such transaction own immediately following such transaction less than fifty percent (50%) of the surviving entity or its parent, (b) the date on which the Series D Investors fail to hold of record or beneficially own any shares of Series D Stock or (c) the consent of the holder of two-thirds of the outstanding shares of Series D Stock.

15. Attorney's Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

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

COMPANY:

eVENTURES GROUP, INC.

By: /s/ Barrett N. Wissman

Title: President

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INVESTORS:

ROCK CREEK PARTNERS II, LTD.

By: ROCK CREEK CAPITAL II, LTD., a Florida limited partnership, its General Partner

By: Rock Creek Capital Group, Inc., a Florida corporation, its General Partner

By: /s/ M. Ashton Hudson

Ashton Hudson, Vice President

CB PRIVATE EQUITY PARTNERS LP

By: CB PRIVATE EQUITY PARTNERS LLC, its General Partner

By: CrossBow Ventures, Inc., its Manager

By: /s/ H. Hickman Powell

Its: Managing Director

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INVESTOR:

Signature

Print Name

Title, if signing on behalf of entity

EX-10.1 OTHERDOC

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d83936ex10-1.txt

REGISTRATION RIGHTS AGREEMENT

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Document is copied.

EXHIBIT 10.1

eVENTURES GROUP, INC.
REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into effective as of the 5th day of December, 2000, by and among

eVENTURES GROUP, INC., a Delaware corporation (the "Company"), and the persons and entities signatories hereto (collectively, the "Stockholders"), as holders of (i) shares of common stock, par value \$0.00002 per share, of the Company ("Common Stock") and (ii) shares of Series D Convertible Preferred Stock, par value \$0.00002 per share, of the Company ("Preferred Stock").

WITNESSETH:

WHEREAS, the Company and the Stockholders have entered into that certain Subscription Agreement dated as of December __, 2000 (the "Subscription Agreement"), pursuant to which the Stockholders acquired shares of Common Stock and Preferred Stock in the amounts set forth on Schedule I hereto (the shares of Common Stock acquired by such Stockholders are referred to herein as the "Common Shares" and the shares of Preferred Stock acquired by such Stockholders are referred to herein as the "Preferred Shares"); and

WHEREAS, in connection with the Subscription Agreement, the parties have agreed to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and in the Subscription Agreement, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS.

"Act" shall mean the Securities Act of 1933, as amended or any successor Federal statute.

"Effectiveness Target Date" means January 1, 2002.

"Filing Date" means October 31, 2001.

"Holder" shall mean any Stockholder or Qualified Transferee holding Registrable Shares.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any prospectus subject to completion, and any such Prospectus as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Shares and, in each case, by all other amendments and supplements to such prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

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"Registrable Shares" shall mean, at any time, and with respect to any Stockholder or Qualified Transferee (as defined in Section 9(g) below), any Restricted Securities held by such Stockholder or Qualified Transferee. As to any particular Registrable Shares, once issued, such Registrable Shares shall cease to be Registrable Shares (1) when such Registrable Shares have been registered under the Act, the Registration Statement in connection therewith has been declared effective by the SEC and they have been disposed of pursuant to and in the manner described in such effective Registration Statement, (2) when such Registrable Shares are sold or distributed pursuant to Rule 144, (3) when such Registrable Shares have ceased to be outstanding, or (4) when such Registrable Shares have been transferred to a person or entity other than a Qualified Transferee.

"Registration Statement" shall mean any registration statement of the Company which covers any of the Registrable Shares, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus (as defined below) contained therein, all exhibits thereto and all material incorporated by reference

therein.

"Restricted Securities" shall mean, at any time and with respect to any Stockholder or Qualified Transferee, the Common Shares and any Common Stock received on or with respect to any of the Preferred Shares, including Common Stock received by way of stock split or stock dividend or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization, which are held by such Stockholder or Qualified Transferee and which theretofore have not been sold to the public pursuant to a Registration Statement or transferred pursuant to Rule 144.

"Rule 144" shall mean Rule 144 promulgated under the Act or any successor or similar rule thereto, as may be enacted by the SEC from time to time.

"SEC" shall mean the Securities and Exchange Commission or any successor agency thereto.

2. SHELF REGISTRATION.

(a) Form S-3 Eligibility. The Company hereby covenants and agrees that it shall use commercially reasonable efforts to prepare and file all such filings in a timely manner and otherwise as required by the Act, the Exchange Act and the rules and regulations promulgated under the Act and the Exchange Act, from the date hereof and throughout the term of this Agreement and otherwise use its commercially reasonable efforts to qualify for registration on Form S-3 under the Act or any comparable successor form.

(b) Obligation to File. The Company agrees to file with the SEC, as soon as practicable, but in no event later than the Filing Date, a Registration Statement for a resale offering to be made on a continuous basis pursuant to Rule 415 promulgated under the Act covering all of the Registrable Shares (the "Shelf Registration"). The Shelf Registration shall be on Form S-3 under the Act or another appropriate form permitting registration of such Registrable Shares for resale by the Holders of Registrable Shares in the manner or manners

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designated by them. The Company shall use its commercially reasonable efforts to cause the Shelf Registration to be declared effective pursuant to the Act as promptly as practicable following the filing thereof, but in no event later than the Effectiveness Target Date, and to keep the Shelf Registration continuously effective under the Act during the term of this Registration Rights Agreement, or such shorter period ending upon the earlier of (1) when all Registrable Shares covered by the Shelf Registration have been sold in the manner set forth and as contemplated in the Shelf Registration or pursuant to Rule 144 promulgated under the Act, (2) when there ceases to be outstanding any Registrable Shares or (3) on the second anniversary of the Effectiveness Target Date (the "Effectiveness Period").

(c) Maintenance of Effectiveness. The Company shall use its commercially reasonable efforts to keep the Shelf Registration continuously effective for the Effectiveness Period, by supplementing and amending the Shelf Registration if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration, if required by the Act or if reasonably requested by Holders of Registrable Shares covered by such Registration Statement.

(d) Certain Limitations on Sales. Notwithstanding anything to the contrary in (b) or (c) above, the Company may, by delivering written notice to the Holders of Registrable Shares, prohibit offers and sales of Registrable Shares pursuant to the Shelf Registration until a date not later than 90 days

after the date of such notice if (i) the Company is engaged in confidential negotiations or other confidential business activities, disclosure of which would be required in such Registration Statement (but which public disclosure would not be required if offers and sales were not made pursuant to such Registration Statement), and the Company determines in good faith that such disclosure would be materially adverse to the Company and its stockholders (provided, however, that upon the public disclosure by the Company of the negotiations or business activities described above, the suspension of the use of the Shelf Registration pursuant to this Section 2(d) shall cease and the Company shall promptly notify Holders of Registrable Shares that dispositions of Registrable Shares may be resumed) or (ii) the Company is required to file a post effective amendment to such Shelf Registration. In no event may the Company prohibit offers and sales of Registrable Shares pursuant to the Shelf Registration (i) for a period of more than 90 days following the delivery by the Company of the notice provided for in the first sentence of this Section 2(d) or (ii) more than twice in any 12-month period.

3. PIGGYBACK REGISTRATIONS.

(a) Right to Piggyback. If the Company proposes to register any of its securities under the Act (other than pursuant to (i) a registration solely in connection with an employee benefit or stock ownership plan on Form S-8 or any comparable or successor form, (ii) a registration solely in connection with an acquisition consummated in a manner which would permit registration of such securities to the public on Form S-4 or any comparable or successor form or (iii) a Shelf Registration for use solely in connection with future acquisitions), and the registration form to be used may be used for the registration of Registrable Shares (a "Piggyback Registration"), the Company will give prompt written notice to all Holders of Registrable Shares of its intention to effect such a registration (each a "Piggyback Notice"). Subject to Section 3(b)

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below, the Company will include in such registration all Registrable Shares that Holders of Registrable Shares request the Company to include in such registration by written notice given to the Company within twenty (20) days after the date of sending of the Piggyback Notice.

(b) Priority on Primary Registrations. If a Piggyback Registration relates to an underwritten public offering of equity securities by the Company and the managing underwriter or underwriters for such offering advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, the Company will include in such registration (i) first, the securities proposed to be sold by the Company, (ii) second, the Registrable Shares and the other securities of the Company with piggyback registration rights that are pari passu with the rights of the Holders requested to be included in such registration, pro rata among the Holders of such Registrable Shares and the holders of such other securities on the basis of the number of shares owned by each such Holder or holder, and (iii) third, other securities requested to be included in such registration.

(c) Priority on Secondary Registrations. If a Piggyback Registration relates to an underwritten public offering of equity securities held solely by other shareholders of the Company's securities and the managing underwriter or underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the persons (as defined below) initially requesting such registration, the Company will include in such registration (i) first, the securities requested to be included therein by the persons requesting such registration, (ii) second (subject to Section 2(a)(iv) of that certain

Registration Rights Agreement dated September 22, 1999 between the Company and the persons listed on Schedule I thereto, provided that such Section has not been waived with respect to any other persons or entities who desire to participate in such registration), the Registrable Shares and other securities of the Company with piggyback registration rights that are pari passu with the Holders requested to be included in such registration, pro rata among the Holders of such Registrable Shares and the holders of such other securities on the basis of the number of shares owned by each such Holder or holder and (iii) third (subject to Section 2(a)(iv) of that certain Registration Rights Agreement dated September 22, 1999 between the Company and the persons listed on Schedule I thereto, provided that such Section has not been waived with respect to any other persons or entities who desire to participate in such registration), other securities requested to be included in such registration.

4. REGISTRATION PROCEDURES.

Whenever Registrable Shares have been registered pursuant to this Agreement, the Company will use its commercially reasonable efforts to effect the registration and the sale of such Registrable Shares in accordance with the intended method of distribution thereof and will as expeditiously as possible:

(i) Prepare and file with the Commission a Registration Statement with respect to such Registrable Shares on any appropriate form under the Act, which form shall be selected by the Company and shall be available for the sale of Registrable

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Shares in accordance with the intended method or methods of distribution thereof and use its commercially reasonable efforts to cause such Registration Statement to become effective;

(ii) Prepare and file with the Commission such amendments and post-effective amendments to such Registration Statement and supplements to the Prospectus used in connection therewith (and to file the Prospectus, as so supplemented, under Rule 424 under the Act, if required) as may be necessary to keep such Registration Statement effective (A) for a period of up to six (6) months (with respect to Piggyback Registrations) or (B) during the Effectiveness Period (with respect to the Shelf Registration), and comply with the provisions of the Act with respect to the disposition of all securities included in such Registration Statement during such period in accordance with the intended methods of distribution by the selling Holders thereof set forth in such Registration Statement or supplement to such Prospectus;

(iii) Furnish to each selling Holder of Registrable Shares such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits), the Prospectus included in such Registration Statement (including each preliminary Prospectus) and such other documents as such selling Holder may reasonably request in order to facilitate the disposition of the Registrable Shares owned by such selling Holder, the Company consents to the use of the Prospectus and any amendment or supplement thereto by a seller of Registrable Shares and the underwriters, if any, in connection with the offering and sale of the Registrable Shares covered by the Prospectus and any amendment or supplement thereto;

(iv) Notify the selling Holders of Registrable Shares and the managing underwriter or underwriters, if any, promptly and (if requested by any such Stockholder) confirm such advice in writing, (A) when a Prospectus, including any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same

has become effective, (B) of any request by the Commission for amendments or supplements to a Registration Statement or related Prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of any of the Registrable Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (E) of the existence of any fact which results in a Registration Statement, a Prospectus or any document incorporated therein by reference containing an untrue statement of a material fact or omitting to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(v) Use its commercially reasonable efforts to register or qualify such Registrable Shares under such other securities or "blue sky" laws of such jurisdictions as any selling Holder reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such selling Holder to consummate

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the disposition in such jurisdictions of the Registrable Shares owned by such selling Holder, provided that the Company will not be required (A) to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (B) to subject itself to taxation in any such jurisdiction, or (C) to consent to general service of process in any such jurisdiction;

(vi) Notify each selling Holder of such Registrable Shares, at any time when a Prospectus relating thereto is required to be delivered under the Act, of the happening of any event referred to in clause (iv)(E) of this Section 4, and, at the request of any such seller, prepare a supplement to such Prospectus or a post-effective amendment to such Registration Statement and furnish to each seller of Registrable Shares a reasonable number of copies of such supplement or amendment so that, as thereafter delivered to the purchasers of such Registrable Shares, such Prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(vii) Use its commercially reasonable efforts to cause all such Registrable Shares to be listed on each securities exchange on which similar securities issued by the Company are then listed and to be qualified for trading on each system on which similar securities issued by the Company are from time to time qualified;

(viii) Provide a transfer agent and registrar for all such Registrable Shares not later than the effective date of such Registration Statement and thereafter maintain such transfer agent and registrar;

(ix) Cooperate with each seller of Registrable Shares and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Shares to be sold pursuant to the Registration Statement, which certificates, if so required by any securities exchange upon which any Registrable Shares are listed, shall be panned, lithographed or engraved, or produced by any combination of such methods, on steel engraved borders, and in such denominations and registered in such names as each seller of Registrable Shares or the managing underwriters, if any, may request at

least two Business Days prior to the sale of Registrable Shares pursuant to the Registration Statement;

(x) Otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission and make available to its security holders, as soon as reasonably practicable but no later than fifteen (15) months after the effective date of the Registration Statement, an earnings statement covering a period of twelve (12) months beginning after the effective date of the Registration Statement, in a manner which satisfies the provisions of Section 11(a) of the Act and Rule 158 thereunder;

(xi) In the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Shares

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included in such registration statement for sale in any jurisdiction, the Company will use its commercially reasonable efforts promptly to obtain the withdrawal of such order; and

(xii) Take all other steps reasonably necessary to effect the registration of the Registrable Shares contemplated hereby.

Notwithstanding anything set forth herein, the Company shall be entitled to withdraw a Registration Statement in its sole and exclusive discretion at any time prior to its becoming effective.

5. REGISTRATION EXPENSES.

(a) Definition. The term "Registration Expenses" means any expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation, all registration and filing fees, listing fees, fees and expenses of compliance with securities or "blue sky" laws, printing expenses, messenger and delivery expenses, internal expenses, the fees and expenses of counsel for the Company (including the reasonable fees and expenses of one counsel to all of the Holders of the Registrable Shares included in such registration) and all independent certified public accountants, underwriting fees and expenses (excluding discounts and commissions attributable to the Registrable Shares, which shall be paid by the selling Holders out of the proceeds of the offering) and the fees and expenses of any other persons (as defined below) retained by the Company. For purposes of this Agreement, the term "person" shall be construed as broadly as possible and shall include an individual or natural person, a partnership (including a limited liability partnership), a company, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated entity and a governmental authority.

(b) Payment. The Company shall pay the Registration Expenses in connection with any and all Shelf and Piggyback Registrations.

6. INDEMNIFICATION.

(a) Indemnification by the Company. The Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Shares, such Holder's general and limited partners, officers and directors and each person who controls such Holder (within the meaning of the Act) against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact

required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such Holder expressly for use therein.

(b) Indemnification by Holders. In connection with any Registration Statement in which a Holder of Registrable Shares is participating, each such Holder will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent

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permitted by law, will indemnify the Company, its directors and officers and each person who controls the Company (within the meaning of the Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any written information or affidavit so furnished in writing by such Holder; provided, that the obligation to indemnify will be individual to each Holder and will be limited to the net amount of proceeds received by such Holder from the sale of Registrable Shares pursuant to such registration statement.

(c) Notice; Defense of Claims. Any person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification; provided, that the failure to so notify the indemnifying party shall not relieve the indemnifying party of any liability that it may have to the indemnified party hereunder (except to the extent that the indemnifying party is materially prejudiced by reason of such failure) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one special and one local counsel for all parties indemnified by such indemnifying party with respect to such claim.

(d) Contribution. If the indemnification provided for in this Section 5 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the offering of the Registrable Shares or (ii) if the allocation provided for by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other hand in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof). The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties'

relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. The obligation to contribute will be individual to each Holder of Registrable Shares and will be limited to the amount by which the net amount of proceeds received by such Holder from the sale of Registrable Shares exceeds the amount of

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losses, liabilities, damages, and expenses which such Holder has otherwise been required to pay by reason of such statements or omissions.

(e) Survival. The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and will survive the transfer of securities.

(f) Underwriting Agreement. To the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with an underwritten public offering are in conflict with the provisions of this Section 6, and the Holder indemnifying or seeking indemnification is a party thereto, the provisions contained in the underwriting agreement shall control.

(g) Non-exclusivity. The obligations of the Company under this Section 6 shall be in addition to any liability which the Company may otherwise have to any indemnified person under this Section 6 and shall be in addition to any liability which such indemnified person may otherwise have to the Company. The remedies provided in this Section 6 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

7. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS.

No person may participate in any registration hereunder which is underwritten unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting arrangements approved by the person or persons entitled hereunder to approve such arrangements, (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided that no Holder of Registrable Shares included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters other than representations and warranties regarding such Holder, such Holder's title to its Registrable Shares and such Holder's intended method of distribution, and (iii) if requested by the managing underwriter or underwriters or the Demanding Persons (as defined in the Registration Rights Agreement, dated as of September 22, 1999, among the Company and the persons and entities set forth on Schedule 1 thereto), agrees not to sell Registrable Shares or other securities held by such Holder in any transaction other than pursuant to such underwriting for such period following the effective date of the registration statement relating to such underwriting for such period as is determined by either the Board of Directors or the Demanding Persons.

8. STOCKHOLDER LOCK-UP; AGREEMENT NOT TO SELL.

Prior to the Effectiveness Target Date, no Holder of Registrable Shares may (i) make any public sale of Registrable Shares (pursuant to a Registration Statement, Rule 144 or otherwise), (ii) engage in short sales or hedging transactions with respect to the Registrable Shares or (iii) pledge or otherwise encumber any Registrable Shares; provided, however, that

nothing herein shall prevent any Holder (a) that is a partnership or corporation from making a distribution of Registrable Shares to the partners or shareholders thereof that are otherwise in compliance with applicable securities laws, so long as such permitted distributees agree to be bound by the terms and conditions of this Section 8; (b) that desires to sell any Registrable Shares in a private transaction in compliance with applicable securities laws from consummating such a sale so long as the purchaser in any private sale agrees in writing to be bound by the restrictions set forth in this Section 8; or (c) that is an individual, from making a transfer of Registrable Shares by gift, will or the laws of descent and distribution, subject to the restrictions set forth in this Section 8; provided further that nothing herein shall prevent any Holder from including Registrable Shares in a Piggyback Registration under the terms and conditions set forth in Section 3 above.

9. MISCELLANEOUS.

(a) Information and Reporting.

(i) The Company shall, at all times during which it is neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, upon the written request of any Stockholder, provide in writing to such Stockholder and to any prospective transferee of the Registrable Shares of such Stockholder the information concerning the Company described in Rule 144A(d)(4) or any successor rule under the Act ("Rule 144A Information"). The Company's obligations under this Section 9(a)(i) shall at all times be contingent upon receipt from the prospective transferee of Registrable Shares of a written agreement to take all reasonable precautions to safeguard the Rule 144A Information from disclosure to anyone other than persons who will assist such transferee in evaluating the purchase of any Registrable Shares.

(ii) The Company shall use its commercially reasonable efforts to timely file such information, documents and reports as the Commission may require or prescribe under Section 13 of the Exchange Act. The Company shall use its commercially reasonable efforts to timely file such information, documents and reports which a corporation, partnership or other entity subject to Section 13 or 15(d) (whichever is applicable) of the Exchange Act is required to file. The Company shall promptly upon request furnish any Holder of Registrable Shares (a) a written statement by the Company that it has complied with the reporting requirements of Section 13 or 15(d) of the Exchange Act, (b) a copy of the most recent annual or quarterly report of the Company, and (c) such other reports and documents filed by the Company with the Commission as such Holder may reasonably request in availing itself of an exemption for the sale of Registrable Shares without registration under the Act. The Company acknowledges and agrees that the purposes of the requirements contained in this Section 9(a)(ii) are to enable any such Holder to comply with the current public information requirement contained in paragraph (c) of Rule 144, should such Holder ever wish to dispose of any of the securities of the Company acquired by it without registration under the Act in reliance upon Rule 144 (or any other similar exemptive provision), and to qualify the Company for the use of registration statements on Form S-3. In addition, the Company shall take

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such other measures and file such other information, documents and reports, as shall hereafter be required by the Commission as a condition to the availability of Rule 144 (or any similar exemptive provision hereafter in effect) and the use of Form S-3. The Company also covenants to use its commercially reasonable efforts, to the extent that it is reasonably within its power to do so, to qualify for the use of Form S-3.

(b) No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Holders of Registrable Shares in this Agreement, provided, however, that other purchasers of Preferred Stock from the Company may become Holders and parties to this Agreement by executing and delivering to the Company a signature page to this Agreement.

(c) Adjustments Affecting Registrable Shares. The Company will not take any action, or permit any change to occur, with respect to its securities for the purpose of materially and adversely affecting the ability of the Holders of Registrable Shares to include such Registrable Shares in a registration undertaken pursuant to this Agreement.

(d) Notices. All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be deemed effectively given when delivered personally or by facsimile transmission or by overnight delivery service or 72 hours after being mailed by first class certified or registered mail, return receipt requested, postage prepaid:

(i) If to the Company, c/o Stuart Chasanoff, 300 Crescent Court, Suite 800, Dallas, Texas 75201, or at such other address or addresses as may have been furnished in writing by the Company to the Stockholders with a copy to (which shall not constitute notice): Weil, Gotshal & Manges LLP, 100 Crescent Court, Suite 1300, Dallas, Texas 75201, Attention: Michael A. Saslaw, Esq. (Fax: 214-746-7777).

(ii) If to a Stockholder, to it at its address as set forth in the Subscription Agreement, or at such other address or addresses as may have been furnished in writing by such Stockholder.

(e) Remedies. Any person having rights under any provision of this Agreement will be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(f) Amendments and Waivers. Except as otherwise provided herein, no amendment, modification, termination or cancellation of this Agreement shall be effective unless made in writing signed by the Company and the Holders of two-thirds of the shares of Registrable Shares; provided that no amendment may be made to Sections 8 that adversely affects the rights of the Holders or to this Section 9(f) unless agreed upon by the Company and

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the Holders of all the Registrable Shares, and that provided that that no amendment that materially and adversely affects the rights of any Holder shall

be made without the consent of such Holder.

(g) Assignment of Registration Rights. The rights to cause the Company to register Registrable Shares pursuant to this Agreement may be assigned (but only with all related obligations) by a Stockholder to any transferee (a "Qualified Transferee") that is an Affiliate (as defined below) or, if not an Affiliate, acquires from a Stockholder either (i) 100,000 or more Registrable Shares or (ii) if less than 100,000 Registrable Shares are owned by a Stockholder at the time of a transfer, all of the Registrable Shares owned by such Stockholder, in either case in connection with the permitted transfer of Registrable Shares. Such assignment shall not affect the rights of Holders hereunder which shall remain in full force in accordance with the terms hereof. Any transferring Stockholder shall provide the Company with prior written notice of such transfer(s)/assignment(s); provided, however, that the failure to provide such notice shall not be deemed to preclude assignment hereunder. For purposes of this Section 9(h), an "Affiliate" shall mean (i) a person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, a Stockholder or (ii) if a Stockholder is a partnership, a partner, retired partner, or estate of a partner or retired partner, of such partnership, so long as such any transfer or recertification of Registrable Shares is in accordance with the transferee's interest in such partnership and is without consideration.

(h) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(i) Entire Agreement. This Agreement embodies the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements relating to such subject matter.

(j) Headings. The headings of this Agreement are for convenience only and do not constitute a part of this Agreement.

(k) Governing Law. The construction, validity and interpretation of this Agreement will be governed by the internal laws of the State of Delaware without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(l) Further Assurances. Each party to this Agreement hereby covenants and agrees, without the necessity of any further consideration, to execute and deliver any and all such further documents and take any and all such other actions as may be necessary or appropriate to carry out the intent and purposes of this Agreement and to consummate the transactions contemplated hereby.

(m) Counterparts. This Agreement may be executed by facsimile and in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be one and the same document.

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

COMPANY:

eVENTURES GROUP, INC.

By: /s/ Barrett Wissman

Name: Barrett Wissman

Title: President

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[REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE]

[SIGNATURE PAGE FOR EACH STOCKHOLDER FOLLOWS]

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Signature page to Registration Rights Agreement dated December 5, 2000 among eVentures Group, Inc. the undersigned and certain of the other stockholders of eVentures Group, Inc.

STOCKHOLDERS:

ROCK CREEK PARTNERS II, LTD.

By: Rock Creek Capital II, Ltd.
its General Partner

By: Rock Creek Capital, Inc.
its General Partner

By: /s/ M. Ashton Hudson

Name: Ashton Hudson
Title: Vice President

CB PRIVATE EQUITY PARTNERS LP

By: CB Private Equity Partners LLC
its General Partner

By: CrossBow Ventures Inc.
its Manager

By: /s/ H. Hickman Powell

Name: /s/ H. Hickman Powell

Title: Managing Director

[REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE]

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SCHEDULE I

SHARES SUBSCRIBED FOR CONSIDERATION
SERIES D

STOCK	COMMON STOCK	TELNEXT PREFERRED STOCK	CASH	PREFERRED
Rock Creek		166,667	3,500	\$
3,500,000	333,334			
CrossBow	283,334	3,500	\$ 3,500,000	566,667

