

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

EUROTECH LTD

CIK: **1033030** | IRS No.: **330662435** | State of Incorporation: **DC** | Fiscal Year End: **1231**
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SIC: **2821** Plastic materials, synth resins & nonvulcan elastomers

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or Section 15(d) Of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 27, 2003

Eurotech, Ltd.

(Exact name of registrant as specified in its charter)

District of Columbia

000-22129

33-0662435

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

10306 Eaton Place, Suite 220
Fairfax, Virginia

22030

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (703) 352-4399

Not Applicable

(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets.

On March 27, 2003, Eurotech, Ltd., a District of Columbia corporation (the "Company") announced that it agreed to license the rights it owns to the EKOR, HNIPU and Electro Magnetic Radiography (EMR) technologies to HomeCom Communications, Inc., a Delaware corporation ("HomeCom"). The agreement calls for Eurotech to exchange the license to the technology in exchange for (i) shares of HomeCom's newly issued Series F Convertible Preferred Stock, which, when sufficient shares of HomeCom common stock are authorized by HomeCom's stockholders, will be convertible into 75% of HomeCom's common stock (ii) shares of newly issued Series G Convertible Preferred Stock with a stated face value of \$1.069 million and (iii) a seven per cent royalty payment on net sales of

licensed products. HomeCom plans to file a proxy to authorize the issuance of additional shares of common stock of HomeCom. Upon the closing of the sale of HomeCom's existing web hosting business (which also requires stockholder approval, and for which a proxy will be required) and the resignation of three current members of HomeCom's board of directors, the Company will have rights to majority control of the HomeCom Board of Directors and responsibility for the assignment of any new executive management positions in HomeCom. The proposed exchange transaction is subject to the satisfaction of certain conditions set forth in the transaction documents and is expected to close on or about April 15, 2003.

Item 5. Other Events and Regulation FD Disclosure.

On March 27, 2003, the Company announced that it reached an agreement with its subsidiary, Markland Technologies, Inc., a Florida corporation ("Markland"), pursuant to which the Company will exchange 100 million shares of Markland Common Stock for shares of Series D Convertible Preferred Stock of Markland having a liquidation value of \$16 million. The preferred stock is convertible into shares of Markland Common Stock at a percentage of the market price at the time of conversion. Subject to the satisfaction of certain conditions outlined in the agreements, the exchange transaction is expected to close on or about April 15, 2003. The Company indicated that it concurrently entered into a separate agreement with its principal investor (described below) to exchange the Markland Series D Convertible Preferred Stock in consideration for the retirement of certain Company preferred stock held by such investor.

On March 27, 2003, the Company announced that as part of the technology licensing transaction it entered into with HomeCom, the Company reached an agreement with its preferred stockholder to (i) retire all shares of Eurotech's outstanding Series A 3% Convertible Preferred Stock held by such investor and the rights of such investor to receive shares of Eurotech's Series B 5% Convertible Preferred Stock and (ii) cancel an obligation of Eurotech to issue to such investor 10 million shares of common stock in exchange for, respectively, \$16 million shares of Series D Convertible Preferred Stock of Markland and \$1.069 million worth of HomeCom Series G Preferred Stock. Eurotech will obtain the Markland Series D Preferred shares from Markland at the future closing of an exchange by Eurotech of 100 million shares of Markland common stock for such Series D Preferred Stock. Eurotech will receive the HomeCom Series G Preferred at the future closing of its technology licensing transaction with HomeCom. The closing of the transactions between Eurotech and its investor are subject to the satisfaction of certain conditions set forth in the transaction agreements.

Item 7. Financial Statements and Exhibits.

Set forth below is a list of Exhibits included as part of this Current Report.

Exhibit

No.	Description and Location Reference
10.31.1	License and Exchange Agreement, dated March 27, 2003, by and between the Company, HomeCom, and solely with respect to Article V and Article XI thereof, Polymate, Ltd. and Greenfield Capital Partners LLC.
10.31.2	Exchange Agreement, dated March 27, 2003, between the Company and Markland.
10.31.3	Exchange Agreement, dated March 27, 2003, between Woodward, LLC and the Company (relating to the Markland Series D Preferred Stock).
10.31.4	Exchange Agreement, dated March 27, 2003, between Woodward, LLC and the Company (relating to the HomeCom Series G Preferred Stock).
99.25	Press Release of the Company, dated March 27, 2003, relating to the license and exchange transaction with HomeCom.
99.26	Press Release of the Company, dated March 27, 2003, relating to the exchange transaction with Markland.
99.27	Press Release of the Company, dated March 27, 2003, relating to the exchange transaction with Woodward.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

April 7, 2003

EUROTECH, LTD.

BY: /s/ Don V. Hahnfeldt

Don V. Hahnfeldt
President and CEO

LICENSE AND
EXCHANGE AGREEMENT

by and among

EUROTECH, LTD.

HOMECON COMMUNICATIONS, INC.

and, solely with respect to ARTICLE V and ARTICLE XI hereof

POLYMATE, LTD.

and

GREENFIELD CAPITAL PARTNERS LLC

March 27, 2003

LICENSE AND EXCHANGE AGREEMENT

This LICENSE AND EXCHANGE AGREEMENT, dated as of March 27, 2003 (this "AGREEMENT"), is made by and between EUROTECH LTD., a District of Columbia corporation (the "COMPANY"), HOMECON COMMUNICATIONS, INC., a Delaware corporation ("HOMECON"), and solely with respect to ARTICLE V and ARTICLE XI hereof, POLYMATE, LTD., an Israeli corporation ("Polymate"), and GREENFIELD CAPITAL PARTNERS LLC, a Delaware limited liability company ("GREENFIELD").

R E C I T A L S

WHEREAS, the Company desires to acquire from HomeCom, and HomeCom agrees to issue (i) 11,250 shares of Series F Convertible Preferred Stock of HomeCom, \$.01 par value per share (the "HOMECON SERIES F STOCK"), which will represent, upon conversion, 75% of the issued and outstanding shares of HomeCom common stock, par value \$.001 per share (the "COMMON STOCK") (other than the shares of Common Stock issuable upon conversion of HomeCom's outstanding Series B-E Convertible Preferred Stock and warrants or options, and the Series G Convertible Preferred Stock of HomeCom convertible into Common Stock) (such shares the "EXCHANGE SHARES"), such shares of HomeCom Series F Stock having the rights, powers and designations set forth in the Certificate of Designations of such HomeCom Series F Stock, a copy of which is annexed hereto as Exhibit B (the "CERTIFICATE OF DESIGNATIONS") and (ii) 1,069 shares of Series G Preferred Stock, \$.01 par value per share, of HomeCom with a face value of \$1,069,000

(the "ADDITIONAL PREFERRED SHARES"); and

WHEREAS, the Company desires to license to HomeCom all right, title and interest held by the Company in the intellectual property and other associated assets described in Exhibit A attached hereto (collectively the "LICENSED PROPERTY") as consideration for the Exchange Shares, and upon the terms and subject to the conditions set forth in this Agreement and the form of License Agreement to be mutually agreed upon by Eurotech and HomeCom and delivered at the Closing (the "LICENSE AGREEMENT"); and

WHEREAS, HomeCom agrees to issue to Polymate, in consideration of the relinquishment of certain rights associated with the Licensed Property, 1,500 shares of HomeCom Series F Stock, representing, upon conversion, 10% of the issued and outstanding shares of Common Stock (other than the shares of Common Stock issuable upon conversion of HomeCom's outstanding Series B-E Convertible Preferred Stock and warrants or options of HomeCom convertible into Common Stock) (such shares the "POLYMATE SHARES"), upon the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, HomeCom agrees to issue for its services as a finder in connection herewith to Greenfield 750 shares of HomeCom Series F Stock, representing, upon conversion, 5% of the issued and outstanding shares of Common Stock (other than the shares of Common Stock issuable upon conversion of HomeCom's outstanding Series B-E Convertible Preferred Stock and warrants or options of HomeCom convertible into Common Stock) (such shares the "GREENFIELD SHARES"), upon the terms and subject to the conditions set forth in this Agreement; and WHEREAS, simultaneously with the execution of this Agreement, the holders of shares of Series B-E Convertible Preferred Stock are executing certain consent and forbearance agreements relating to such shares (the "B-E CONSENTS");

WHEREAS, the respective Boards of Directors of all of the parties hereto have approved the form, terms and conditions of this Agreement upon the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the parties hereto desire to make certain representations, warranties, covenants and agreements in connection with this Agreement.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the parties agree as follows:

ARTICLE I.

1.1 Closing. The closing of the Exchange and the other transactions contemplated hereby (the "CLOSING") shall be made at such time and place as the parties may mutually agree, on or before April 15, 2003 (the "CLOSING DATE").

1.2 Company/HomeCom Proceedings. At the Closing, HomeCom shall issue to the Company 11,250 shares of HomeCom Series F Stock, representing the Exchange Shares and the Additional Preferred Shares (each denominated by separate certificates), and simultaneously therewith, and conditioned thereon, the Company shall execute and deliver the License Agreement to HomeCom as a part of and in connection with the issuance of the Exchange Shares. The Company will enter into the License Agreement only upon the obtaining by the Company of any applicable third party consents or similar documentation and the satisfaction of the other conditions contained herein. The issuance of the Exchange Shares and execution and delivery of the Licensed Property, in each case as contemplated herein, are referred to herein as the "EXCHANGE".

1.3 At the Closing, HomeCom shall issue to Polymate 1,500 shares of HomeCom Series F Stock, representing the Polymate Shares.

1.4 Greenfield/HomeCom Proceedings. Greenfield is receiving the Greenfield Shares in consideration of services provided to HomeCom as a finder in connection with the transactions contemplated by the Exchange. At the Closing, HomeCom shall issue to Greenfield 750 shares of HomeCom Series F Stock, representing the Greenfield Shares.

ARTICLE II.

[INTENTIONALLY OMITTED]

ARTICLE III.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represent and warrants to HomeCom that:

3.1 Organization, Good Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the District of Columbia, and has all requisite corporate or similar power and authority to own and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or operation of its properties or conduct of its business requires such qualification, except where the failure to be so qualified or in good standing is not, when taken together with all other such failures, reasonably likely to have a Material Adverse Effect (as defined below) on it.

As used in this Agreement, the term "MATERIAL ADVERSE EFFECT" means, with respect to any Person, a material adverse effect on the financial condition, assets or liabilities or business of such Person; provided, however, that Material Adverse Effect shall exclude any effect resulting from or related to changes or developments involving (1) a prospective change arising out of any proposed or adopted legislation, or any other proposal or enactment by any governmental, regulatory or administrative authority, (2) general conditions applicable to the economy of the United States, including changes in interest rates and (3) conditions or effects resulting from the announcement of the existence or terms of this Agreement.

3.2 Corporate Authority and Approval. The Company has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Company and is a valid and binding agreement enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "BANKRUPTCY AND EQUITY EXCEPTION"). The Board of Directors of the Company has unanimously approved this Agreement and the other transactions contemplated by this Agreement.

3.3 Government Filings; No Violations.

(a) Except for filings required pursuant to the Securities Exchange Act of 1934, as amended, or the rules and regulations promulgated thereunder (collectively, the "EXCHANGE ACT") or any other federal or state securities laws or any stock exchange or other self regulatory organization, no notices, reports or other filings are required to be made by the Company with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by the Company from, any governmental or regulatory authority, court, agency, commission, body or other governmental entity ("GOVERNMENTAL ENTITY"), in connection with the execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated by this Agreement, except those that the failure to make or obtain are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on the Company or the Licensed Property, nor prevent, materially delay or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

(b) The execution, delivery and performance of this Agreement by the Company does not, and the consummation of the other transactions contemplated by this Agreement will not, constitute or result in (A) a breach or violation of, or a default under, the certificate of incorporation or bylaws of the Company, (B) a breach or violation of, or a default under, the acceleration

of any obligations or the creation of a lien, pledge, security interest or other encumbrance on the assets of each of the Company (with or without notice, lapse of time or both) pursuant to, any agreement, lease, contract, note, mortgage, indenture, arrangement or other obligation ("CONTRACTS") binding upon it or any law, statute, ordinance, regulation, judgment, order, decree, injunction, arbitration award, license, authorization, opinion, agency requirement or permit of any Governmental Entity or common law (each, a "LAW" and collectively, "LAWS") to which it is subject or (C) any change in the rights or obligations of any party under any Contracts to which the Company is a party, except, in the case of clauses (B) or (C) above, for any breach, violation, default, acceleration, creation or change that, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on the Company or prevent, materially delay or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement. Schedule 3.3(b) ("PRIOR CONTRACTS") sets forth a correct and complete list of Contracts of the Company pursuant to which consents or waivers are or may be required prior to consummation of the transactions contemplated by this Agreement other than those where the failure to obtain such consents or waivers is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on the Company or prevent or materially impair their ability to consummate the transactions contemplated by this Agreement.

3.4 Reports; Financial Statements. The Company is a reporting company under the Exchange Act and the shares of the Company's common stock are registered under Section 12(g) of the Exchange Act. The Company has made available to HomeCom, through electronic filings on EDGAR, each registration statement, report, proxy statement or information statement prepared by it since December 31, 2000, including its Annual Report on Form 10-KSB for the year ended December 31, 2001 and its Quarterly Reports on Form 10-QSB for the quarters ended since December 31, 2000, in the form (including exhibits, annexes and any amendments thereto) filed with the Securities and Exchange Commission (the "SEC") (collectively, including any such registration statements, reports, proxy statements or information statements filed subsequent to the Agreement Date, its "REPORTS"). Since June 30, 2000, the Company has made all filings required to be made by the Securities Act of 1933, or any successor law, and the rules and regulations issued pursuant thereto (the "SECURITIES ACT"), and the Exchange Act. The financial statements and any supporting schedules of the Company included or incorporated by reference in the Company's Reports present fairly the consolidated financial position of the Company as of the dates indicated and the consolidated results of their operations for the periods specified (subject, in the case of unaudited statements, to notes and normal year-end audit adjustments that will not be material in amount or effect), in each case in accordance with generally accepted accounting principles of the United States consistently applied ("GAAP") during the periods involved, except as may be noted therein.

3.5 Litigation and Liabilities. Except as disclosed in the Company's Reports filed prior to the Closing Date or on Schedule 3.5, there are no (i) civil, criminal or administrative suits, claims or hearings pending or, to the actual knowledge of its executive officers, threatened against the Company or any of its Affiliates with respect to the Licensed Property or (ii) obligations or liabilities, whether or not accrued, contingent or otherwise and whether or not required to be disclosed with respect to the Licensed Property, or any other facts or circumstances, in either such case, of which its executive officers have actual knowledge and that are reasonably likely to result in any claims against or obligations or liabilities of the Company or any of its Affiliates, except for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on the Company, or prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement.

For purposes of this Agreement, the term "AFFILIATE" means, with respect to any person or entity, any person or entity that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "CONTROL" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

3.6 Compliance with Laws. Except as disclosed in the Company's Reports filed prior to the Closing Date or on Schedule 3.6, the businesses of the Company with respect to the Licensed Property have not been, and are not being, conducted in violation of Law, except for violations or possible violations that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on the Licensed Property or prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement. To the actual knowledge of its executive officers, no material change is required in the Company's processes, properties or procedures in connection with any such Laws, and it has not received any notice or communication of any material noncompliance with any such Laws that has not been cured as of the Closing Date, except for such changes and noncompliance that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on them or prevent, materially delay or materially impair their ability to consummate the transactions contemplated by this Agreement.

3.7 Brokers and Finders. Except for Greenfield, neither the Company nor any of its officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Exchange or the other transactions contemplated in this Agreement.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF HOMECOM

HomeCom hereby represent and warrant to the Company that:

4.1 Organization, Good Standing and Qualification. HomeCom is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has all requisite corporate or similar power and authority and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or operation of its properties or conduct of its business requires such qualification, except where the failure to be so qualified or in good standing is not, when taken together with all other such failures, reasonably likely to have a Material Adverse Effect on it. HomeCom has made available to the Company a complete and correct copy of its certificate of incorporation and bylaws, each as amended to date. Such certificates of incorporation and bylaws are in full force and effect.

4.2 Capital Structure. The authorized capital stock of HomeCom consists of (i) 15,000,000 shares of Common Stock, of which 14,999,156 shares shall be issued and outstanding as of the Closing Date, and (ii) 125 shares of HomeCom Series B Preferred Stock, of which 17.8 shares shall be issued and outstanding as of the Closing Date; (iii) 175 shares of HomeCom Series C Preferred Stock, of which 90.5 shares shall be issued and outstanding as of the Closing Date; (iv) 75 shares of HomeCom Series D Preferred Stock, of 1.3 shares shall be issued and outstanding as of the Closing Date; (v) 106.4 shares of HomeCom Series E Preferred Stock, of which 106.4 shares shall be issued and outstanding as of the Closing Date (collectively, the "SERIES B-E PREFERRED STOCK"). All of the outstanding shares of Common Stock, and Series B-E Preferred Stock, and the HomeCom Series F Stock, including the Exchange Shares, the Additional Preferred Shares, and the Polymate Shares and Greenfield Shares when issued at the Closing pursuant to this Agreement, have been or will (at the Closing) be duly authorized, validly issued, fully paid and nonassessable. Except as disclosed in this Section 4.2 or on Schedule 4.2, as of the Closing Date, there are no additional issued and outstanding shares of Common Stock, Series B-E Preferred Stock or HomeCom Series F Stock, and there are no rights, options, warrants or similar instruments outstanding pursuant to which any shares of capital stock of any class or series of HomeCom are issueable to any person or entity, except for 1,069 shares of Series G Convertible Preferred Stock.

4.3 Corporate Authority and Approval. HomeCom has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by HomeCom and is a valid and binding agreement of HomeCom, enforceable against HomeCom in accordance with its terms, subject to the Bankruptcy and Equity Exception. The Board of Directors of HomeCom has duly approved this Agreement.

4.4 Government Filings; No Violations.

(a) Except for filings required pursuant to the Exchange Act,

no notices, reports or other filings are required to be made by HomeCom with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by HomeCom from, any Governmental Entity, in connection with the execution and delivery of this Agreement by it and the other transactions contemplated by this Agreement, except those that the failure to make or obtain are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on HomeCom or prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement.

6

(b) The execution, delivery and performance of this Agreement by HomeCom does not, and the consummation by it of the Exchange and the other transactions contemplated by this Agreement will not, constitute or result in (A) a breach or violation of, or a default under, its certificate of incorporation, certificates of designations or bylaws, (B) a breach or violation of, or a default under, the acceleration of any obligations or the creation of a lien, pledge, security interest or other encumbrance on its assets or the assets of any of its Subsidiaries (with or without notice, lapse of time or both) pursuant to, any Contract binding upon it or any of its Subsidiaries or any Law to which it or any of its Subsidiaries is subject or (C) any change in the rights or obligations of any party under any Contracts to which it or its Subsidiaries are a party, except, in the case of clauses (B) or (C) above, for any breach, violation, default, acceleration, creation or change that, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on it or prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement.

4.5 Reports; Financial Statements. HomeCom is a reporting company under the Exchange Act and the shares of HomeCom Common Stock are registered under Section 12(g) of the Exchange Act. HomeCom has made available to the Company, through electronic filings on EDGAR, each registration statement, report, proxy statement or information statement prepared by it since December 31, 2002, including its Annual Report on Form 10-KSB for the year ended December 31, 2001, and its Quarterly Reports on Form 10-QSB for the quarters ended since December 31, 2001, in the form (including exhibits, annexes and any amendments thereto) filed with the SEC (collectively, including any such registration statements, reports, proxy statements or information statements filed subsequent to the Agreement Date, its "REPORTS"). Since June 30, 2000, HomeCom has made all filings required to be made by the Securities Act and the Exchange Act. As of their respective dates, the HomeCom Reports complied as to form with all applicable requirements and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. The financial statements and any supporting schedules of HomeCom and its Subsidiaries included or incorporated by reference in the HomeCom Reports present fairly the consolidated financial position of HomeCom

and its Subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified (subject, in the case of unaudited statements, to notes and normal year-end audit adjustments that will not be material in amount or effect), in each case in accordance with GAAP consistently applied during the periods involved, except as may be noted therein. To the knowledge of the directors, officers, employees and legal and accounting representatives of HomeCom, except as disclosed on Schedule 4.5, as of the Closing Date, no Person or group beneficially owns 10% or more of the outstanding voting securities of the Company. As used in this Section 4.5, the terms "beneficially owns" and "group" shall have the meanings ascribed to such terms under Rule 13d-3 and Rule 13d-5 under the Exchange Act.

4.6 Litigation and Liabilities. Except as disclosed in HomeCom's Reports filed prior to the Closing Date, there are no (i) civil, criminal or administrative actions, suits, claims, hearings, investigations or proceedings pending or, to the actual knowledge of its executive officers, threatened against HomeCom or any of its Affiliates or (ii) obligations or liabilities,

7

whether or not accrued, contingent or otherwise and whether or not required to be disclosed, including those relating to matters involving any Environmental Law, or any other facts or circumstances, in either such case, of which its executive officers have actual knowledge and that are reasonably likely to result in any claims against or obligations or liabilities of HomeCom or any of its Affiliates, except for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on HomeCom or prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement.

4.7 Compliance with Laws. Except as disclosed in HomeCom's Reports filed prior to the Closing Date, the businesses of HomeCom and its Subsidiaries have not been conducted in violation of any Laws. Except as disclosed in the HomeCom's Reports filed prior to the Closing Date, no investigation or review by any Governmental Entity with respect to the HomeCom or any of its Subsidiaries is pending or, to the actual knowledge of its executive officers, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for those the outcome of which are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect on it or prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement.

4.8 Insurance. Schedule 4.8 to this Agreement is a complete list accurately describing all insurance policies held by HomeCom concerning its businesses and properties and any officer or director of HomeCom. All such policies are in the respective principal amounts set forth in Schedule 4.8 and are in full force and effect as of the Closing Date. HomeCom has not received written notice of any pending or threatened termination or retroactive premium

increase with respect such policies, and HomeCom is in compliance in all material respects with all conditions contained therein. There are no pending claims against such insurance by HomeCom or any individual or entity covered under such policies as to which insurers have denied liability and no defenses provided by insurers under reservations of rights. HomeCom does not self insure any risk under any such policies other than applicable deductibles. None of the policies listed on Schedule 4.8 shall terminate or be terminable pursuant to their terms as a result of the consummation of the transactions contemplated hereby.

4.9 Brokers and Finders. Except for Greenfield, neither HomeCom nor any of its officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Exchange or the other transactions contemplated in this Agreement.

4.10 Indebtedness. As of the date hereof, HomeCom has incurred the indebtedness and obligations listed on Schedule 4.10, which schedule lists that certain accrued dividend liability owed to a preferred stockholder of HomeCom (the "ACCRUED DIVIDEND LIABILITY"). As of the Closing Date the Accrued Dividend Liability will have been paid or otherwise satisfied.

4.11 Contracts. Except as set forth on Schedule 4.11 hereto, neither HomeCom nor its Subsidiaries are a party to any material contracts, leases, arrangements or commitments (whether oral or written) or is a party to or bound by or affected by any contract, lease, arrangement or commitment (whether oral or written) relating to: (a) the employment of any person; (b) collective bargaining with, or any representation of any employees by, any labor union or association; (c) the acquisition of services, supplies, equipment or other personal property; (d) the purchase or sale of real property; (e) distribution, agency or construction; (f) lease of real or personal property as lessor or lessee or sublessor or sublessee; (g) lending or advancing of funds; (h) borrowing of funds or receipt of credit; (i) incurring any obligation or liability; or (j) the sale of personal property.

8

4.12 As of the Closing, all of the holders of the Company's Series B Convertible Preferred Stock, Series C Convertible Stock, Series D Convertible Preferred Stock, and Series E Convertible Preferred Stock have executed forbearance as to certain default and given their consents to the transactions contemplated by the Agreement pursuant to the B-E Consents.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY, POLYMATE AND GREENFIELD

Each of the Company, Polymate and Greenfield (for these purposes, each, a "STOCKHOLDER") severally (and not jointly) represents and warrants to HomeCom,

solely with respect to each as a Stockholder, that:

5.1 Accredited Investor. The Stockholder is an "accredited investor" (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act), and has such knowledge and experience in financial business matters that the Stockholder is capable of evaluating the merits and risks of the Exchange. The Stockholder's residence or, if other than a natural person, its principal office, is located in the jurisdiction indicated in the address of such Stockholder opposite its name on the signature page hereof.

5.2 Review of SEC Filings. The Stockholder has had the opportunity to review the HomeCom's Reports.

5.3 Opportunity for Investigation. HomeCom has given the Stockholder the opportunity to meet with HomeCom's directors and executive officers for the purpose of asking questions and receiving answers concerning the terms and conditions of the Exchange, and to obtain any additional information that HomeCom may possess or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of any information that HomeCom has furnished the Stockholder in connection with the Exchange.

5.4 Restricted Securities. The Stockholder understands and acknowledges that the Exchange Shares, the Polymate Shares and Greenfield Shares being issued to the respective Stockholders in the Exchange are "restricted securities," (as such terms is defined in Rule 144(a)(3) under the Securities Act) that the certificate or certificates evidencing those shares will bear a legend, substantially in the form set forth below, indicating that those shares are restricted securities, and that those shares may not be Licensed except pursuant to an effective registration statement under the Securities Act or an available exemption from such registration.

The legend referred to above will be substantially as follows:

"These securities have been issued pursuant to an exemption under the Securities Act of 1933 and are restricted securities, and neither such securities nor any interest therein may be offered, sold, pledged, hypothecated, made the subject of a gift or otherwise Licensed, for

9

value or otherwise, without the written approval of counsel for the issuer making specific reference to this certificate. The transfer agents of the issuer have been instructed to register transfers of the shares evidenced by this certificate only in accordance with the foregoing instructions."

5.5 Stockholder's Intent. The Stockholders are acquiring the Exchange Shares, the Polymate Shares and Greenfield Shares, respectively, and such

acquisition is for the Stockholders' own account, for investment purposes, and not with a view towards their distribution, except such distribution is permitted under applicable law or with the knowledge of HomeCom.

5.6 Enforceability. This Agreement is the Stockholders' valid and binding obligation, enforceable against the Stockholder in accordance with its terms.

ARTICLE VI.

POST-CLOSING COVENANTS

6.1 Financial Statements. The parties shall cooperate in preparing and/or causing to be prepared the information and financial statements required by Form 8-K under the Exchange Act. As soon as practicable after the Closing Date, but in no event later than forty-five (45) days after the Closing Date, HomeCom shall deliver its audited financial statements as of and for the year ended December 31, 2002, and such audit shall have been conducted by such accounting firm mutually acceptable to the parties.

6.2 Access; Consultation.

(a) Upon reasonable notice, and except as may be prohibited by applicable Law, HomeCom and Company each shall (and shall cause their Subsidiaries to) afford to the other and the employees, agents and representatives (including any attorney or accountant retained by either party) of either party, as the case may be, reasonable access, during normal business hours throughout the period prior to the Closing Date, to its properties, books, Contracts and records and, during such period, each shall (and shall cause their Subsidiaries to) furnish promptly to the other all information concerning its business, properties and personnel as may reasonably be requested, provided that no investigation pursuant to this Section 6.2 shall affect or be deemed to modify any representation or warranty under this Agreement, and provided, further, that the foregoing shall not require HomeCom or the Company to permit any inspection, or to disclose any information, that in the reasonable judgment of HomeCom or the Company, as the case may be, would result in the disclosure of any trade secrets of third parties or violate any of its obligations with respect to confidentiality if HomeCom or the Company, as the case may be, shall have used all reasonable efforts to obtain the consent of such third party to such inspection or disclosure. All requests for information made pursuant to this Section 6.2 shall be directed to an executive officer of HomeCom or the Company, as the case may be, or such Person as may be designated by any such executive officer, as the case may be.

(b) Subject to applicable Laws relating to the exchange of information, from the Agreement Date to the Closing Date, the Company and

HomeCom agree to consult with each other on a regular basis on a schedule to be agreed with regard to their respective operations.

6.3 Other Actions; Notification.

(a) The Company and HomeCom shall cooperate with each other and use (and shall cause their respective Subsidiaries to use) their respective reasonable best efforts (i) to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable on its part under this Agreement and the applicable Laws to consummate and make effective the Exchange and the other transactions contemplated by this Agreement as soon as practicable, including (A) obtaining opinions of their respective accountants, if required, (B) preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings and other documents, and (C) instituting court actions or other proceedings necessary to obtain the approvals required to consummate the Exchange or the other transactions contemplated by this Agreement or defending or otherwise opposing all court actions or other proceedings instituted by a Governmental Entity or other Person for purposes of preventing the consummation of the Exchange and the other transactions contemplated by this Agreement and (ii) to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party and/or any Governmental Entity in order to consummate the Exchange or any of the other transactions contemplated by this Agreement; provided, however, that nothing in this Section 6.3(a) shall require either party to agree to any divestitures or hold separate or similar arrangements in order to obtain approval of the transactions contemplated by this Agreement if such divestitures or arrangements would reasonably be expected to have a Material Adverse Effect on the Company or HomeCom, or a Material Adverse Effect on the expected benefits of the Exchange to the Company or HomeCom. Subject to applicable Laws relating to the exchange of information, the Company and HomeCom shall have the right to review in advance, and to the extent practicable each will consult the other on, all the information relating to the Company or HomeCom, as the case may be, that appear in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the Exchange and the other transactions contemplated by this Agreement. In exercising the foregoing right, each of the Company and HomeCom shall act reasonably and as promptly as practicable.

(b) The Company and HomeCom each shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with any Registration Statement or filing with the SEC made by HomeCom or the Company in connection with the Exchange and the transactions contemplated by this Agreement.

(c) The Company and HomeCom each shall keep the other apprised of the status of matters relating to completion of the transactions contemplated by this Agreement, including promptly furnishing the other with copies of notice or other communications received by the Company or HomeCom, as the case may be, or any of its Subsidiaries or, from any third party and/or any Governmental

Entity with respect to the Exchange and the other transactions contemplated by this Agreement. Each of the Company and HomeCom shall give prompt notice to the other of any change that is reasonably likely to result in a Material Adverse Effect on it or of any failure of any conditions to the other party's obligations to affect the Exchange.

11

6.4 Publicity. The initial press release with respect to the Exchange shall be a joint, mutually agreed press release. Thereafter, HomeCom and the Company shall consult with each other prior to issuing any press releases or otherwise making public announcements with respect to the Exchange and the other transactions contemplated by this Agreement and prior to making any filings with any third party and/or any Governmental Entity (including any securities exchange) with respect thereto, except as may be required by Law or by obligations pursuant to any listing agreement with or rules of any securities exchange.

6.5 Indemnification of Officers and Directors. The Company agrees that all rights to indemnification existing in favor of any of the present or former officers or directors of HomeCom (the "MANAGERS") as provided in HomeCom's Certificate of Incorporation or Bylaws as in effect as of the Closing Date, and in any agreement between HomeCom and any Manager with respect to matters occurring prior to the Closing Date, shall survive the Exchange in accordance with the terms of the applicable agreements or instruments. The Company further covenants not to amend or repeal any provisions of the Certificate of Incorporation or Bylaws of HomeCom in any manner which would adversely affect the indemnification or exculpatory provisions contained therein as they pertain to acts occurring prior to the Closing. The provisions of this Section 6.5 are intended to be for the benefit of, and shall be enforceable by, each indemnified party and his or her heirs and representatives.

6.6 Post-Exchange Indemnification. If the Company or any of its successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to such Person, then and in each such case, proper provisions shall be made so that the successors and assigns of the Company shall assume all of the obligations set forth in Section 6.5.

6.7 Stockholder Meeting. On or prior to December 31, 2003, HomeCom shall have held a special meeting of stockholders in respect of the transactions contemplated by that certain Preliminary Proxy Statement filed on or about November 30, 2001, as amended in April, 2002 with the Securities and Exchange Commission by HomeCom, and shall have received all necessary shareholder and regulatory approval to consummate the transactions therein contemplated, or as otherwise agreed by the Company, and such transactions shall have been consummated and closed.

6.8 Increase in Authorized Shares and Reverse Split. On or prior to December 31, 2003, HomeCom shall have held a special meeting of stockholders, and as a result thereof, HomeCom shall have amended its Certificate of Incorporation to increase the number of authorized shares of Common Stock from 15,000,000 to 150,000,000, and implement a reverse split of issued and outstanding Common Stock of not less than 1 for 10 as contemplated by the Proxy Statement referred to in Section 6.7.

6.9 Registration Rights. The Exchange Shares, the Polymate Shares and Greenfield Shares shall have piggy-back and demand rights with respect to registration on a registration statement filed by HomeCom subsequent to the Closing, either on Form S-1 or other applicable form, for the resale of the Common Stock of the HomeCom. Subsequent to the Closing, HomeCom and, respectively, the Company, Polymate and Greenfield shall enter into separate piggy-back and demand registration rights agreements for the registration, in a commercially reasonable manner and time frame, of the Exchange Shares, the Polymate Shares and Greenfield Shares. HomeCom shall pay all expenses of such registration, other than broker commissions and discounts. A registration statement covering such registration rights shall be filed by HomeCom within a commercially reasonable time following request for registration.

ARTICLE VII

CONDITIONS

7.1 Conditions to Each Party's Obligation to Effect the Exchange. The respective obligation of each party to effect the Exchange is subject to the satisfaction or waiver, if applicable, at or prior to the Closing Date, of each of the following conditions:

(a) Exhibits and Schedules. The Exhibits and Schedules shall have been delivered and accepted by the Company and HomeCom (such acceptance to be in each party's sole and absolute discretion);

(b) Each of the Company and HomeCom shall have completed its respective continuing business, legal and accounting due diligence review, shall be satisfied with the results of such review in each's sole and absolute discretion, and shall have notified the other that it has completed such review; and

(c) Laws and Orders. No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the Exchange or the other transactions contemplated by this Agreement and the License Agreement (collectively, an "ORDER"), and no Governmental Entity shall have instituted any

proceeding or threatened to institute any proceeding seeking any such Order.

7.2 Condition to Obligations of the Company. The obligations of the Company to effect the Exchange are also subject to the satisfaction or waiver by the Company at or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of HomeCom set forth in this Agreement (i) to the extent qualified by Material Adverse Effect shall be true and correct and (ii) to the extent not qualified by Material Adverse Effect shall be true and correct (except that this clause (ii) shall be deemed satisfied so long as any failures of such representations and warranties to be true and correct, taken together, would not reasonably be expected to have a Material Adverse Effect on HomeCom and would not reasonably be expected to have a material adverse effect on the expected benefits of the Exchange to the Company), in the case of each of (i) and (ii), as of the Agreement Date and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date;

13

(b) Performance of Obligations of Homecom. Homecom shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, including the filing of a Certificate of Designation, in the form annexed hereto as Exhibit B with the Secretary of State of Delaware and issuance of the Exchange Shares to the Company and the filing of a Certificate of Designation, in the form annexed hereto as Exhibit C with the Secretary of State of Delaware and issuance of the Additional Preferred Shares to the Company;

(c) Consents Under Agreements. HomeCom shall have obtained the executed B-E Consents and the consent or approval of each Person whose consent or approval shall be required in order to consummate the transactions contemplated by this Agreement under any Contract to which HomeCom is a party, except those for which the failure to obtain such consent or approval, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on HomeCom or a material adverse effect on the expected benefits of the Exchange to Company (it being understood that the failure to meet the conditions set forth in Sections 7.2 (d), (e), (f) and (g) below would constitute a Material Adverse Effect on HomeCom);

(d) HomeCom shall deliver to the Company evidence satisfactory to the Company that HomeCom's accounts payable have been reduced from \$1.9 million to no more than \$600,000 by the waiver or satisfaction of the Accrued Dividend Liability;

(e) HomeCom shall deliver to Eurotech such executed corporate governance documents of HomeCom (including written consents to action and

director resignations) as may be reasonably requested by Eurotech in order to effect the changes to the board of directors and officers of HomeCom set forth in Schedule 7.2(e), it being acknowledged and agreed that the parties intend to effect such changes at or following the Closing, as the case may be pursuant to such schedule;

(f) HomeCom shall deliver to the Company evidence satisfactory to the Company that HomeCom has settled that certain dispute between HomeCom and the landlord of HomeCom's leased real property located at 3495 Piedmont Road, Building 12, Suite 110, Atlanta, GA, and the terms of such settlement shall be satisfactory to the Company;

(g) HomeCom shall deliver to the Company evidence satisfactory to the Company that the holders of Series B-E Preferred Stock have waived the mandatory redemption and conversion provisions of the instruments of such securities and extended the date of such mandatory redemption and conversion to March 31, 2004, in each case pursuant to the B-E Consents; and

(f) HomeCom shall have filed with the Securities and Exchange Commission and shall provide the Company with a certified copy of, its Annual Report on Form 10-KSB for its fiscal year 2002.

14

7.3 Conditions to Obligation of HomeCom. The obligation of HomeCom to effect the Exchange is also subject to the satisfaction or waiver by HomeCom at or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company, Polymate and Greenfield set forth in this Agreement and the License Agreement (i) to the extent qualified by Material Adverse Effect shall be true and correct, and (ii) to the extent not qualified by Material Adverse Effect shall be true and correct (except that this clause (ii) shall be deemed satisfied so long as any failures of such representations and warranties to be true and correct, taken together, would not reasonably be expected to have a Material Adverse Effect on the Company and would not reasonably be expected to have a material adverse effect on the expected benefits of the Exchange to HomeCom), in the case of each of (i) and (ii), as of the Agreement Date and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date;

(b) Performance of Obligations of Polymate. Polymate shall have executed, or shall cause to be executed, such further undertakings as may be satisfactory to Eurotech in respect of the Licensed Property; and

(c) Consents Under Agreements. The Company shall have obtained the consent or approval of each Person whose consent or approval shall be required in order to consummate the transactions contemplated by this Agreement

under any Contract to which the Company is a party, except those for which the failure to obtain such consent or approval, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on the Company, or a material adverse effect on the expected benefits of the Exchange to HomeCom.

ARTICLE VIII

TERMINATION

8.1 Termination by Mutual Consent. This Agreement may be terminated and the Exchange may be abandoned at any time prior to the Closing Date by mutual written consent of HomeCom and the Company, through action of their respective Boards of Directors.

8.2 Termination by Either Company or HomeCom. This Agreement may be terminated and the Exchange may be abandoned at any time prior to the Closing Date by action of the Board of Directors of either Company or HomeCom if (i) the Exchange shall not have been consummated by April 15, 2003 (the "TERMINATION DATE"), or (ii) any order permanently restraining, enjoining or otherwise prohibiting consummation of the Exchange shall become final and non-appealable; provided, that the right to terminate this Agreement pursuant to clause (i) above shall not be available to any party that has breached in any material respect its obligations under this Agreement in any manner that shall have approximately contributed to the failure of the Exchange to be consummated.

15

8.3 Effect of Termination and Abandonment. In the event of termination of this Agreement and the abandonment of the Exchange in accordance with the provisions of this Article, this Agreement shall become void and of no effect with no liability on the part of any party to this Agreement or of any of its directors, officers, employees, agents, legal or financial advisors or other representatives; provided, however, no such termination shall relieve any party to this Agreement from any liability for damages resulting from any breach of this Agreement.

ARTICLE IX.

INDEMNIFICATION AND SURVIVAL

9.1 Survival; Right to Indemnification Not Affected by Knowledge. All representations, warranties, covenants and obligations in this Agreement, and any certificate or document delivered pursuant to this Agreement, shall survive the closing until the second anniversary of the Closing Date. The right to indemnification and payment of damages for third party claims based on such representations, warranties, covenants and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution

and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of damages for third party claims based on such representations, warranties, covenants and obligations.

9.2 Indemnification and Payment of Damages by HomeCom. HomeCom will indemnify and hold harmless the Company and will pay to the Company the amount of any damages arising, directly or indirectly, from or in connection with third party claims with respect to (a) any material breach of any representation or warranty made by HomeCom in this Agreement or any other certificate or document delivered by HomeCom pursuant to this Agreement, or (b) any material breach by HomeCom of any agreement, covenant or obligation of HomeCom in this Agreement. Any indemnity pursuant to this Section 9.2 shall only be available to the extent that such damages pursuant to (a) or (b) above exceed \$25,000 in aggregate.

9.3 Indemnification and Payment of Damages by the Company. The Company will indemnify and hold harmless HomeCom, and will pay to HomeCom the amount of any damages arising, directly or indirectly, from or in connection with third party claims with respect to (a) any material breach of any representation or warranty made by the Company in this Agreement or in any certificate delivered by the Company pursuant to this Agreement or (b) any material breach by the Company of any agreement, covenant or obligation of the Company in this Agreement. Any indemnity pursuant to this Section 9.3 shall only be available to the extent that such damages pursuant to (a) or (b) above exceed \$25,000 in aggregate.

9.4 Procedure for Indemnification - Third Party Claims.

(a) Promptly after receipt by an indemnified party under Section 9.2 or 9.3 of notice of the commencement of any proceeding against it (a "PROCEEDING"), such indemnified party will, if a claim is to be made against an

16

indemnifying party under such Section, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to any indemnified party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the indemnifying party's failure to give such notice.

(b) If any Proceeding referred to in Section 9.4(a) is brought against an indemnified party and it gives notice to the indemnifying party of the commencement of such Proceeding, the indemnifying party will, unless the claim involves Taxes, be entitled to participate in such Proceeding and, to the

extent that it wishes (unless (i) the indemnifying party is also a party to such Proceeding and the indemnified party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurance to the indemnified party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding), to assume the defense of such Proceeding with counsel satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the indemnified party under this ARTICLE IX for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the indemnified party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a Proceeding, (i) it will be conclusively established for purposes of this Agreement that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the indemnifying party without the indemnified party's consent unless (A) there is no finding or admission of any violation of a Law or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party, and (B) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (iii) the indemnified party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within ten business days after the indemnified party's notice is given, give notice to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the indemnified party.

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

17

(d) Notwithstanding Section 11.4 hereof, each of the Company and HomeCom hereby consents to the non-exclusive jurisdiction of any court in which a Proceeding is brought against any indemnified party for purposes of any claim that an indemnified party may have under this Agreement with respect to such Proceeding or the matters alleged therein.

ARTICLE X.

[INTENTIONALLY OMITTED]

ARTICLE XI.

MISCELLANEOUS AND GENERAL

11.1 Modification or Amendment. Subject to the provisions of the applicable law, the parties to this Agreement may modify or amend this Agreement by written agreement executed and delivered by a duly authorized officer of the respective parties.

11.2 Waiver.

(a) Any provision of this Agreement may be waived prior to the Closing Date if, and only if, such waiver is in writing and executed and delivered by a duly authorized officer of the respective parties.

(b) No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise provided in this Agreement, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

11.3 Counterparts. This Agreement may be executed in any number of counterparts, and by facsimile, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

11.4 Governing Law and Venue; Waiver of Jury Trial.

(a) This Agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with New York law without regard to the conflict of law principles thereof, except that matters relating to the corporate governance of HomeCom shall be governed by Delaware law. The parties hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America located in the Borough of Manhattan (the "NEW YORK COURTS") for any litigation arising out of or relating to this Agreement and the transactions contemplated by this Agreement (and agree not to commence any litigation relating thereto except in such New York Courts), waive any objection to the laying of venue of any such litigation in the New York Courts and agree not to plead or claim in any New York Court that such litigation brought therein has been brought in an inconvenient forum.

(b) Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement, or the transactions contemplated by this Agreement. Each party certifies and acknowledges that (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) each such party understands and has considered the implications of this waiver, (iii) each party makes this waiver voluntarily, and (iv) each party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 11.4.

11.5 Notices. Notices, requests, instructions or other documents to be given under this Agreement shall be in writing and shall be deemed given, (i) three business days following sending by registered or certified mail, postage prepaid, (ii) when sent if sent by facsimile, provided that written or other confirmation of receipt is obtained by the sending party, (iii) when delivered, if delivered personally to the intended recipient, and (iv) one business day later, if sent by overnight delivery via a national courier service, and in each case, addressed to a party at the following address for such party:

If to the Company:

Eurotech, Ltd.
10306 Eaton Place, Suite 220
Fairfax, VA 22030
Attention: Don Hahnfeldt, President
Fax: 703-352-5994

with a copy (which shall not constitute notice) to:

Ellenoff Grossman Schole & Cyruli, LLP
370 Lexington Avenue
New York, NY 10017
Attention: Barry I. Grossman
Fax: 212-370-7889

If to Polymate:

Polymate Ltd.
B'nai Brith 16, Haifa, Israel
Attn: Oleg Figovsky
Fax: 972-4-826-2631

If to HomeCom:

3495 Piedmont Road
Building 12, Suite 110

with a copy to:

Krieger & Prager, LLP
39 Broadway
New York, New York 10006
Fax: (212) 363-2999

If to Greenfield:

Greenfield Capital Partners LLC
1300 West Belmont
Chicago, Illinois 60657
ATT: C. Kahn
Fax: (773) 880-1481

11.6 Entire Agreement. This Agreement (including any schedules or exhibits to this Agreement, whether deliver as of the date hereof or at the Closing) constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties, both written and oral, among the parties, with respect to the subject matter of this Agreement. Each party to this Agreement agrees that, except for the representations and warranties contained in this Agreement, neither the Company nor HomeCom makes any other representations or warranties, and each hereby disclaims any other representations or warranties made by itself or any of its officers, directors, employees, agents, financial and legal advisors or other representatives, with respect to the execution and delivery of this Agreement or the transactions contemplated by this Agreement, notwithstanding the delivery or disclosure to the other or the other's representatives of any documentation or other information with respect to any one or more of the foregoing.

11.7 No Third Party Beneficiaries. This Agreement is not intended to confer upon any Person other than the parties to this Agreement any rights or remedies under this Agreement.

11.8 Obligations of the Parent. Whenever this Agreement requires a Subsidiary of either the Company or HomeCom to take any action, such requirement shall be deemed to include an undertaking on the part of the Company, or HomeCom, respectively, to cause such Subsidiary to take such action. For purposes of this Agreement, the term "SUBSIDIARY" shall mean, when used with reference to any party hereto, any corporation or other entity of which such party or any other subsidiary of such party directly or indirectly (i) is a general or managing partner or managing member, (ii) owns (A) a majority of the outstanding voting securities or interests of which, having by their terms

ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other entity or (B) securities in such corporation or entity which grant such party or its subsidiary the right to perform or approve management functions of such corporation or entity or (iii) owns more than fifty percent (50%) of the value of the outstanding equity securities or interests (including membership interests) of which are owned directly or indirectly by such party.

20

11.9 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability or the other provisions of this Agreement. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

11.10 Interpretation. The table of contents and headings in this Agreement are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions of this Agreement. Where a reference in this Agreement is made to a schedule, such reference shall be to a schedule to this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

11.11 Assignment. This Agreement shall not be assignable by operation of law or otherwise. Any assignment in contravention of the preceding sentence shall be null and void.

11.12 Further Assurances. Each party shall do and perform or cause to be done and performed, all such further acts and things, and shall execute and delivery all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement, including the schedules and exhibits thereto, and the consummation of the transactions contemplated hereby.

11.13 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise required by law or agreed to in writing by the applicable party, the parties agree that all parties hereto shall keep completely confidential and shall not publish or otherwise disclose and shall not use for any purpose other than proper performance hereunder any information

furnished to it by the other parties pursuant to this Agreement (including the schedules and exhibits hereto).

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

HOMECON COMMUNICATIONS, INC.

By: /s/ Michael Sheppard

Name: Michael Sheppard

Title: Vice President

EUROTECH, LTD.

By: /s/ Don V. Hahnfeldt

Name: Don V. Hahnfeldt

Title: President and CEO

Solely with respect to ARTICLE V
and ARTICLE XI hereof:

POLYMATE, LTD.

By: /s/ Alex Trossman

Name: Alex Trossman

Title: General Manager

GREENFIELD CAPITAL PARTNERS LLC

By: /s/ Michael Byl

Name: Michael Byl

Title: Managing Director

SCHEDULES

Schedule 3.3(b) - Prior Contracts

Schedule 3.5 - Litigation and Liabilities

Schedule 3.6 - Violations

Schedule 4.2 - HomeCom Authorized Capital
Schedule 4.5 - 10% Holders
Schedule 4.8 - HomeCom Insurance
Schedule 4.11 - HomeCom Contracts
Schedule 7.2(e) - Corporate Governance Matters

EXHIBITS

EXHIBIT A Licensed Property
EXHIBIT B Certificate of Designation of HomeCom Series
F Convertible Preferred Stock
EXHIBIT C Certificate of Designations of HomeCome Series
G Convertible Preferred Stock

EXHIBIT A
LICENSED PROPERTY

1. EKOR(TM)

EKOR(TM) is a family of non-toxic advanced composite polymer materials that provides for effective and unique means of containment of nuclear and hazardous materials and prevents radioactive contaminants from spreading. EKOR(TM) is available as a coating or sealing agent with varying viscosity and as flexible or rigid foam.

2. EMR/AC

Electromagnetic Radiography(TM) ("EMR") and Acoustic Core(TM) ("AC") provide integrated remote sensing capabilities that produce 3D images of subsurface contaminants with a high degree of discrimination and precision. They offer large area coverage at high resolution and are significantly more cost effective than monitoring methods currently used for environmental assessments.

3. Hybrid Nonisocyanate Polyurethane ("HNIPU")

HNIPU is a technology intended to improve upon conventional monolithic polyurethanes, which have good mechanical properties, but are porous, with poor hydrolytic stability and moderate permeability. HNIPU is modified polyurethane with lower permeability, increased chemical resistance properties and material synthesis that has superior environmental characteristics to conventional polyurethanes. HNIPUs form into a material with practically no pores and therefore, do not absorb moisture on the surface or in fillers during formation.

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EXHIBIT B

FORM OF CERTIFICATE OF DESIGNATION OF
HOMECOM SERIES F CONVERTIBLE PREFERRED STOCK

CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF
SERIES F CONVERTIBLE PREFERRED STOCK
OF
HOMECOM COMMUNICATIONS, INC.

HomeCom Communications, Inc. (the "Company"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify that, pursuant to authority conferred upon the Board of Directors of the Company by the Certificate of Incorporation of the Company, and pursuant to Section 151 of the General Corporation Law of the State of Delaware, the Board of Directors of the Company at a meeting duly held, adopted resolutions (i) authorizing a series of the Company's authorized preferred stock, \$.01 par value per share, and (ii) providing for the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of 13,500 shares of Series F Convertible Preferred Stock of the Company, as follows:

RESOLVED, that the Company is authorized to issue 13,500 shares of Series F Convertible Preferred Stock (the "Series F Preferred Shares"), \$.01 par value per share, which shall have the following powers, designations, preferences and other special rights:

(1) DIVIDENDS. The Series F Preferred Shares shall not bear any dividends except as provided herein.

(2) HOLDER'S CONVERSION OF SERIES F PREFERRED SHARES. A holder of Series F Preferred Shares shall have the right, at such holder's option, to convert the Series F Preferred Shares into shares of the Company's common stock, \$.0001 par value per share (the "Common Stock"), on the following terms and conditions:

(a) CONVERSION RIGHT. At any time or times on or after the earlier of (i) December 31, 2003 or (ii) the first date on which the Company's Certificate of Incorporation is validly amended such that the number of authorized shares of Common Stock (the "Authorized Common") equals or exceeds the sum (the "Common Equivalents") of (i) the number of issued and outstanding shares of Common Stock plus (ii) the aggregate of the number of shares of Common Stock into which all other issued and outstanding shares of any class of Company stock are at any time convertible (the period of time beginning on the later of the dates referred to in (i) and (ii) above and continuing for so long as the Authorized Common equals or exceeds the Common Equivalents shall be referred to herein as the "Conversion Period"), any holder of Series F Preferred Shares shall be entitled to convert each Series F Preferred Share, in whole or in part, into fully paid and nonassessable shares (rounded to the nearest whole share in

accordance with Section 2(e) below) of Common Stock at a rate, subject to

adjustment as provided herein, of 10,000 Shares of Common Stock for each Series F Preferred Share (the "Conversion Rate") as and when the creation of such Common Stock is duly authorized by all necessary corporate action, at the Conversion Rate;

(b) ADJUSTMENT TO CONVERSION RATE - DILUTION AND OTHER EVENTS.

In order to prevent dilution of the rights granted under this Certificate of Designations, the Conversion Rate will be subject to adjustment from time to time as provided in this Section 2(b).

- (i) ADJUSTMENT OF FIXED CONVERSION RATE UPON SUBDIVISION OR COMBINATION OF COMMON STOCK. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Rate in effect immediately prior to such subdivision will be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Rate in effect immediately prior to such combination will be proportionately reduced.
- (ii) REORGANIZATION, RECLASSIFICATION, CONSOLIDATION, MERGER, OR SALE. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another Person (as defined below) or other similar transaction which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as in "Organic Change." Prior to the consummation of any Organic Change, the Company will make appropriate provision to insure that each of the holders of the Series F Preferred Shares will thereafter have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series F Preferred Shares, such shares of stock, securities or assets as may be issued or

payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series F Preferred Shares had such Organic Change not taken place. In any such case, the Company will make appropriate provision (in form and substance satisfactory to the holders of a majority

of the Series F Preferred Shares then outstanding) with respect to such holders' rights and interests to insure that the provisions of this Section 2(b) will thereafter be applicable to the Series F Preferred Shares. The Company will not effect any such consolidation, merger or sale, unless prior to the consummation thereof the successor entity (if other than the Company) resulting from consolidation or merger or the entity purchasing such assets assumes, by written instrument (in form and substance satisfactory to the holders of a majority of the Series F Preferred Shares then outstanding), the obligation to deliver to each holder of Series F Preferred Shares such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire. For purposes of this Agreement, "PERSON" shall mean an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

- (iii) SPIN OFF. If, at any time prior to a Conversion Date, the Company consummates a spin off or otherwise divests itself of a part of its business or operations or disposes of all or of a part of its assets in a transaction (the "Spin Off") in which the Company does not receive just compensation for such business, operations or assets, but causes securities of another entity (the "Spin Off Securities") to be issued to security holders of the Company, then the Company shall cause (i) to be reserved Spin Off Securities equal to the number thereof which would have been issued to the Holder had all of the holder's Series F Preferred Shares outstanding on the record date (the "Record Date") for determining the amount and number of Spin Off Securities to be issued to security holders of the Company been converted as of the close of business on the trading day

immediately before the Record Date (the "Reserved Spin Off Shares"), and (ii) to be issued to the Holder on the conversion of all or any of the outstanding Series F Preferred Shares, such amount of the Reserved Spin Off Shares equal to (x) the Reserved Spin Off Shares multiplied by (y) a fraction, of which (a) the numerator is the principal amount of the outstanding Series F Preferred Shares then being converted, and (b) the denominator is the principal amount of all the outstanding Series F Preferred Shares.

(iv) NOTICES.

(A) Immediately upon any adjustment of the Conversion Rate, the Company will give written notice thereof to each holder of Series F Preferred Shares, setting forth in reasonable detail and certifying the calculation of such adjustment.

(B) The Company will give written notice to each holder of Series F Preferred Shares at least twenty (20) days prior to the date on which the Company closes its books or takes a record (I) with respect to any dividend or distribution upon the Common Stock, (II) with respect to any pro rata subscription offer to holders of Common Stock or (III) for determining rights to vote with respect to any Organic Change, dissolution or liquidation.

(C) The Company will also give written notice to each holder of Series F Preferred Shares at least twenty (20) days prior to the date on which any Organic Change (as defined below), dissolution or liquidation will take place.

(c) MECHANICS OF CONVERSION. Subject to the Company's ability to fully satisfy its obligations under a Conversion Notice (as defined below) as provided for in Section 5 below:

(i) HOLDER'S DELIVERY REQUIREMENTS. To convert Series F Preferred Shares into full shares of Common Stock on any date (the "Conversion Date"), the holder thereof shall (A) deliver or transmit by facsimile, for receipt on or prior to 11:59 p.m., Eastern Standard Time, on such date, a copy of a fully executed notice of conversion in the form attached hereto as Exhibit

I (the "Conversion Notice") to the Company or its designated transfer agent (the "Transfer Agent"), and (B) surrender to a common carrier for delivery to the Company or the Transfer Agent as soon as practicable following such date, the original certificates representing the Series F Preferred Shares being converted (or an indemnification undertaking with respect to such shares in the case of their loss, theft or destruction) (the "Preferred Stock Certificates") and the originally executed Conversion Notice.

(ii) COMPANY'S RESPONSE. Upon receipt by the Company of a facsimile copy of a Conversion Notice, the Company shall immediately send, via facsimile, a confirmation of receipt of such Conversion Notice to such holder. Upon receipt by the Company or the Transfer Agent of the Preferred Stock Certificates to be converted pursuant to a Conversion Notice, together with the originally executed Conversion Notice, the Company or the Transfer Agent (as applicable) shall, within five (5) business days following the date of receipt, (A) issue and surrender to a common carrier for overnight delivery to the address as specified in the Conversion Notice, a certificate, registered in the name of the holder or its designee, for the number of shares of Common Stock to which the holder shall be entitled or (B) credit the aggregate number of shares of Common Stock to which the holder shall be entitled to the holder's or its designee's balance account at The Depository Trust Company.

(iii) RECORD HOLDER. The person or persons entitled to receive the shares of Common Stock issuable upon a conversion of Series F Preferred Shares shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date.

(d) NASDAQ LISTING. So long as the Common Stock is listed for trading on NASDAQ or an exchange or quotation system with a rule substantially similar to NASDAQ Rule 4460(i) then, notwithstanding anything to the contrary contained herein if, at any time, the aggregate number of shares of Common Stock then issued upon conversion of the Series F Preferred Shares (including any shares of capital stock or rights to acquire shares of capital stock issued by the Corporation which are aggregated or integrated with the Common Stock issued

or issuable upon conversion of the Series F Preferred Shares for purposes of such rule) equals 19.99% of the "Outstanding Common Amount" (as hereinafter defined), the Series F Preferred Shares shall, from that time forward, cease to be convertible into Common Stock in accordance with the terms hereof, unless the Corporation (i) has obtained approval of the issuance of the Common Stock upon conversion of the Series F Preferred Shares by a majority of the total votes cast on such proposal, in person or by proxy, by the holders of the then-outstanding Common Stock (not including any shares of Common Stock held by present or former holders of Series F Preferred Shares that were issued upon conversion of Series F Preferred Shares (the "Stockholder Approval"), or (ii) shall have otherwise obtained permission to allow such issuances from NASDAQ in accordance with NASDAQ Rule 4460(i). If the Corporation's Common Stock is not then listed on NASDAQ or an exchange or quotation system that has a rule substantially similar to Rule 4460(i) then the limitations set forth herein shall be inapplicable and of no force and effect. For purposes of this paragraph, "Outstanding Common Amount" means (i) the number of shares of the Common Stock outstanding on the date of issuance of the Series F Preferred Shares pursuant to the Purchase Agreement plus (ii) any additional shares of Common Stock issued thereafter in respect of such shares pursuant to a stock dividend, stock split or similar event. The maximum number of shares of Common Stock issuable as a result of the 19.99% limitation set forth herein is hereinafter referred to as the "Maximum Share Amount." With respect to each holder of Series F Preferred Shares, the Maximum Share Amount shall refer to such holder's pro rata share thereof. In the event that Corporation obtains Stockholder Approval or the approval of NASDAQ, or by reason of the inapplicability of the rules of NASDAQ or otherwise, the Corporation concludes that it is able to increase the number of shares to be issued above the Maximum Share Amount (such increased number being the "New Maximum Share Amount"), the references to Maximum Share Amount, above, shall be deemed to be, instead, references to the greater New Maximum Share Amount. In the event that Stockholder Approval is obtained and there are insufficient reserved or authorized shares, or a registration statement covering the additional shares of Common Stock which constitute the New Maximum Share Amount is not effective prior to the Maximum Share Amount being issued (if such registration statement is necessary to allow for the public resale of such securities), the Maximum Share Amount shall remain unchanged; provided, however, that the holders of Series F Preferred Shares may grant an extension to obtain a sufficient reserved or authorized amount of shares or of the effective date of such registration statement. In the event that (a) the aggregate number of shares of Common Stock actually issued upon conversion of the outstanding Series F Preferred Shares represents at least twenty percent (20%) of the Maximum Share Amount and (b) the sum of (x) the aggregate number of shares of Common Stock issued upon conversion of Series F Preferred Shares plus (y) the aggregate number of shares of Common Stock that remain issuable upon conversion of Series F Preferred Shares and based on the Conversion Price then in effect), represents at least one hundred percent (100%) of the Maximum Share Amount, the Corporation will use its best reasonable efforts to seek and obtain Stockholder Approval (or obtain such other relief as will allow conversions hereunder in excess of the Maximum Share Amount) as soon as practicable following the Triggering Event and before the Mandatory Redemption Date.

(e) FRACTIONAL SHARES. The Company shall not issue any fraction of a share of Common Stock upon any conversion. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one

share of the Series F Preferred Shares by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of a fraction of a share of Common Stock. If, after the aforementioned aggregation, the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up or down to the nearest whole share.

(f) TAXES. The Company shall pay any and all taxes which may be imposed upon it with respect to the issuance and delivery of Common Stock upon the conversion of the Series F Preferred Shares.

(3) REISSUANCE OF CERTIFICATES. In the event of a conversion or redemption pursuant to this Certificate of Designations of less than all of the Series F Preferred Shares represented by a particular Preferred Stock Certificate, the Company shall promptly cause to be issued and delivered to the holder of such Series F Preferred Shares a Preferred Stock Certificate representing the remaining Series F Preferred Shares which have not been so converted or redeemed.

(4) RESERVATION OF SHARES. During the Conversion Period, the Company shall, so long as any of the Series F Preferred Shares are outstanding, reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series F Preferred Shares, such number of shares of Common Stock as shall from time to time be sufficient to affect the conversion of all of the Series F Preferred Shares then outstanding; provided that the number of shares of Common Stock so reserved shall at no time be less than 100% of the number of shares of Common Stock for which the Series F Preferred Shares are at any time convertible.

(5) VOTING RIGHTS. On all matters submitted to a vote of shareholders, the holders of the Series F Preferred Shares shall be entitled to vote on a matter with holders of Common Stock, voting together as one class, with each share of Series F Preferred Shares entitled to a number of votes equal to the number of shares of Common Stock into which it is then convertible, using the record date for the taking of such vote of shareholders. The Series F Shares shall have no voting rights except as provided in the preceding sentence or in the General Corporation Law of the State of Delaware.

(6) LIQUIDATION, DISSOLUTION, WINDING-UP. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of the Series F Preferred Shares shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings

available for distribution to its stockholders (the "Preferred Funds"), before any amount shall be paid to the holders of any of the capital stock of the Company of any class junior in rank to the Series F Preferred Shares (other than the Series G Preferred Shares which shall be equal in rank) in respect of the preferences as to the distributions and payments on the liquidation, dissolution and winding up of the Company, an amount per Series F Preferred Share equal to \$1,000 (such sum being referred to as the "Liquidation Value"); provided that, if the Preferred Funds are insufficient to pay the full amount due to the holders of Series F Preferred Shares and holders of shares of other classes or series of preferred stock of the Company that are of equal rank with the Series F Preferred Shares as to payments of Preferred Funds (the "Pari Passu Shares"), then each holder of Series F Preferred Shares and Pari Passu Shares shall

receive a percentage of the Preferred Funds equal to the full amount of Preferred Funds payable to such holder as a liquidation preference, in accordance with their respective Certificate of Designations, Preferences and Rights, as a percentage of the full amount of Preferred Funds payable to all holders of Series F Preferred Shares and Pari Passu Shares. The purchase or redemption by the Company of stock of any class in any manner permitted by law, shall not for the purposes hereof, be regarded as a liquidation, dissolution or winding up of the Company. Neither the consolidation or merger of the Company with or into any other Person, nor the sale or transfer by the Company of less than substantially all of its assets, shall, for the purposes hereof, be deemed to be a liquidation, dissolution or winding up of the Company. No holder of Series F Preferred Shares shall be entitled to receive any amounts with respect thereto upon any liquidation, dissolution or winding up of the Company other than the amounts provided for herein.

(7) PREFERRED RATE. All shares of Common Stock shall be of junior rank to all Series F Preferred Shares in respect to the preferences as to distributions and payments upon the liquidation, dissolution, and winding up of the Company. The rights of the Series F Preferred Shares shall be subject to the Preferences and relative rights of the Series B Convertible Preferred Stock, Series C Convertible Preferred Stock, Series D Convertible Preferred Stock, and Series E Convertible Preferred Stock. Without the prior express written consent of the holders of not less than a majority of the then outstanding Series F Preferred Shares, the Company shall not hereafter authorize or issue additional or other capital stock (other than the Series G Preferred Shares which shall be equal in rank) that is of senior or equal rank to the Series F Preferred Shares in respect of the preferences as to distributions and payments upon the liquidation, dissolution and winding up of the Company. Without the prior express written consent of the holders of not less than a majority of the then outstanding Series F Preferred Shares, the Company shall not hereafter authorize or make any amendment to the Company's Certificate of Incorporation or bylaws, or make any resolution of the board of directors with the Delaware Secretary of State containing any provisions, which would materially and adversely affect or otherwise impair the rights or relative priority of the holders of the Series F

Preferred Shares relative to the holders of the Common Stock or the holders of any other class of capital stock. In the event of the merger or consolidation of the Company with or into another corporation, the Series F Preferred Shares shall maintain their relative powers, designations, and preferences provided for herein and no merger shall result inconsistent therewith.

(8) RESTRICTION ON DIVIDENDS. If any Series F Preferred Shares are outstanding, without the prior express written consent of the holders of not less than a majority of the then outstanding Series F Preferred Shares, the Company shall not directly or indirectly declare, pay or make any dividends or other distributions upon any of the Common Stock so long as written notice thereof has not been given to holders of the Series F Preferred Shares at least 30 days prior to the earlier of (a) the record date taken for or (b) the payment of any such dividend or other distribution. Notwithstanding the foregoing, this Section 8 shall not prohibit the Company from declaring and paying a dividend in cash with respect to the Common Stock so long as the Company: (i) pays simultaneously to each holder of Series F Preferred Shares an amount in cash

equal to the amount such holder would have received had all of such holder's Series F Preferred Shares been converted to Common Stock pursuant to Section 2 hereof one business day prior to the record date for any such dividend, and (ii) after giving effect to the payment of any dividend and any other payments required in connection therewith including to the holders of the Series F Preferred Shares, the Company has in cash or cash equivalents an amount equal to the aggregate of: (A) all of its liabilities reflected on its most recently available balance sheet, (B) the amount of any indebtedness incurred by the Company or any of its subsidiaries since its most recent balance sheet and (C) 120% of the amount payable to all holders of any shares of any class of preferred stock of the Company assuming a liquidation of the Company as the date of its most recently available balance sheet.

(9) VOTE TO CHANGE THE TERMS OF SERIES F PREFERRED SHARES. The affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting of the holders of not less than 66-2/3% of the then outstanding Series F Preferred Shares, shall be required for any change to this Certificate of Designations or the Company's Certificate of Incorporation which would amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series F Preferred Shares.

(10) LOST OR STOLEN CERTIFICATES. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock Certificates representing the Series F Preferred Shares, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock

certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue preferred stock certificates if the holder contemporaneously requests the Company to convert such Series F Preferred Shares into Common Stock.

(11) WITHHOLDING TAX OBLIGATIONS. Notwithstanding anything herein to the contrary, to the extent that the Company receives advice in writing from its counsel that there is a reasonable basis to believe that the Company is required by applicable federal laws or regulations and delivers a copy of such written advice to the holders of the Series F Preferred Shares so effected, the Company may reasonably condition the making of any distribution (as such term is defined under applicable federal tax law and regulations) in respect of any Series F Preferred Share on the holder of such Series F Preferred Shares depositing with the Company an amount of cash sufficient to enable the Company to satisfy its withholding tax obligations (the "Withholding Tax") with respect to such distribution. Notwithstanding the foregoing or anything to the contrary, if any holder of the Series F Preferred Shares so effected receives advice in writing from its counsel that there is a reasonable basis to believe that the Company is not so required by applicable federal laws or regulations and delivers a copy of such written advice to the Company, the Company shall not be permitted to condition the making of any such distribution in respect of any Series F Preferred Share on the holder of such Series F Preferred Shares depositing with

the Company any Withholding Tax with respect to such distribution, PROVIDED, HOWEVER, the Company may reasonably condition the making of any such distribution in respect of any Series F Preferred Share on the holder of such Series F Preferred Shares executing and delivering to the Company, at the election of the holder, either: (i) if applicable, a properly completed Internal Revenue Service Form 4224, or (a) an indemnification agreement in reasonably acceptable form, with respect to any federal tax liability, penalties and interest that may be imposed upon the Company by the Internal Revenue Service as a result of the Company's failure to withhold in connection with such distribution to such holder.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed by _____, its _____, as of the _____ day of _____, 2003.

HOMECON COMMUNICATIONS, INC.

By: _____

EXHIBIT I

HOMECom COMMUNICATIONS, INC.
CONVERSION NOTICE

Reference is made to the Certificate of Designations, Preferences and Rights of HomeCom Communications, Inc. (the "CERTIFICATE OF DESIGNATIONS"). In accordance with and pursuant to the Certificate of Designations, the undersigned hereby elects to convert the number of shares of Series F Convertible Preferred Stock, \$.01 par value per share (the "Series F PREFERRED SHARES"), of HomeCom Communications, Inc., a Delaware corporation (the "COMPANY"), indicated below into shares of Common Stock, \$.0001 par value per share (the "COMMON STOCK"), of the Company, by tendering the stock certificate(s) representing the share(s) of Series F Preferred Shares specified below as of the date specified below.

The undersigned acknowledges that any sales by the undersigned of the securities issuable to the undersigned upon conversion of the Series F Preferred Shares shall be made only pursuant to (i) a registration statement effective under the Securities Act of 1933, as amended (the "ACT"), or (ii) advice of counsel that such sale is exempt from registration required by Section 5 of the Act.

Date of Conversion:

Number of Series F
Preferred Shares to be converted

Stock certificate no(s). of Series F
Preferred Shares to be converted:

Please confirm the following information:

Number of shares of Common
Stock to be issued:

please issue the Common Stock into which the Series F Preferred Shares are being converted in the following name and to the following address:

Issue to: (1)

Facsimile Number:

Authorization:

By:

Title:

Dated:

ACKNOWLEDGED AND AGREED:

HECOM COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____

Date: _____

(1) If other than to the record holder of the Series F Preferred Shares, any applicable transfer tax must be paid by the undersigned.

EXHIBIT C

FORM OF CERTIFICATE OF DESIGNATION OF
HECOM SERIES G CONVERTIBLE PREFERRED STOCK

CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF
SERIES G CONVERTIBLE PREFERRED STOCK
OF
HECOM COMMUNICATIONS, INC.

HomeCom Communications, Inc. (the "Company"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does

hereby certify that, pursuant to authority conferred upon the Board of Directors of the Company by the Certificate of Incorporation of the Company, and pursuant to Section 151 of the General Corporation Law of the State of Delaware, the Board of Directors of the Company at a meeting duly held, adopted resolutions (i) authorizing a series of the Company's authorized preferred stock, \$.01 par value per share, and (ii) providing for the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of 1,069 shares of Series G Convertible Preferred Stock of the Company, as follows:

RESOLVED, that the Company is authorized to issue 1,069 shares of Series G Convertible Preferred Stock (the "Series G Preferred Shares"), \$.01 par value per share, which shall have the following powers, designations, preferences and other special rights:

(1) DIVIDENDS. The Series G Preferred Shares shall not bear any dividends except as provided herein.

(2) HOLDER'S CONVERSION OF SERIES G PREFERRED SHARES. A holder of Series G Preferred Shares shall have the right, at such holder's option, to convert the Series G Preferred Shares into shares of the Company's common stock, \$.0001 par value per share (the "Common Stock"), on the following terms and conditions:

(a) CONVERSION RIGHT. Subject to the provisions of Section 3(a) below, at any time or times upon the earlier to occur of (i) a date on or after 120 days after the Issuance Date (as defined herein) or (ii) the date that the U.S. Securities & Exchange Commission declares the Company's Registration Statement with respect to the Series G Preferred Shares (the "Effective Date"), any holder of Series G Preferred Shares shall be entitled to convert any Series G Preferred Shares into fully paid and nonassessable shares (rounded to the nearest whole share in accordance with Section 2(h) below) of Common Stock, at the Conversion Rate (as defined below); PROVIDED, HOWEVER, that in no event other than upon a Mandatory Conversion pursuant to Section 2(f) hereof, shall

any holder be entitled to convert Series G Preferred Shares in excess of that number of Series G Preferred Shares which, upon giving effect to such conversion, would cause the aggregate number of shares of Common Stock beneficially owned by the holder and its affiliates to exceed 9.9% of the outstanding shares of the Common Stock following such conversion. For purposes of the foregoing proviso, the aggregate number of shares of Common Stock beneficially owned by the holder and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Series G Preferred Shares with respect to which the determination of such proviso is being made, but shall exclude the number of shares of Common Stock which would be issuable upon conversion of the remaining, nonconverted Series G Preferred Shares beneficially owned by the holder and its affiliates. Except as set forth in the preceding

sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended.

(b) CONVERSION RATE. The number of shares of Common Stock issuable upon conversion of each of the Series G Preferred Shares pursuant to Section (2) (a) shall be determined according to the following formula (the "Conversion Rate");

$$\frac{\text{LIQUIDATION VALUE}}{\text{CONVERSION PRICE}}$$

For purposes of this Certificate of Designations, the following terms shall have the following meanings:

- (i) "CONVERSION PRICE" means, as of any Conversion Date (as defined below), the amount obtained by multiplying the Conversion Percentage by the Average Market Price for the Common Stock for the five (5) Trading Days immediately preceding such date;
- (ii) "CONVERSION PERCENTAGE" means 82.5%;
- (iii) "AVERAGE MARKET PRICE" means, with respect to any security for any period, that price which shall be computed as the arithmetic average of the Closing Bid Prices (as defined below) for such security for each trading day in such period;
- (iv) "CLOSING BID PRICE" means, for any security as of any date, the last closing bid price on the Nasdaq SmallCap Market(TM) (the "Nasdaq-SM") as reported by Bloomberg Financial Markets ("Bloomberg"), or, if the Nasdaq-SM is not the principal trading market for such security, the last closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg (the "Trading Market"), or if the foregoing do not apply, the last closing bid price of such security in the over-the-counter market on the pink sheets or bulletin board for such security as reported by

Bloomberg, or, if no closing bid price is reported for such security by Bloomberg, the last closing trade price of such security as reported by Bloomberg. If the Closing Bid Price cannot be

calculated for such security on such date on any of the foregoing bases, the Closing Bid Price of such security on such date shall be the fair market value as reasonably determined in good faith by the Board of Directors of the Company (all as appropriately adjusted for any stock dividend, stock split or other similar transaction during such period);

(v) "TRADING DAY" means any day on which the Company's Common Stock is traded on the Principal Trading Market.

(c) ADJUSTMENT TO CONVERSION PRICE - DILUTION AND OTHER EVENTS. In order to retain the rights granted under this Certificate of Designations, the Conversion Price will be subject to adjustment from time to time as provided in this Section 2(c).

(i) ADJUSTMENT OF FIXED CONVERSION PRICE UPON SUBDIVISION OR COMBINATION OF COMMON STOCK. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Fixed Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Fixed Conversion Price in effect immediately prior to such combination will be proportionately increased.

(ii) REORGANIZATION, RECLASSIFICATION, CONSOLIDATION, MERGER, OR SALE. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another Person (as defined below) or other similar transaction which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as in "Organic Change." Prior to the consummation of any Organic Change, the Company will make appropriate provision to insure that each of the holders of the Series G Preferred Shares will thereafter have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series G Preferred Shares, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series G Preferred Shares had such Organic Change not taken place. In any such case, the Company will make appropriate provision (in form and substance satisfactory to the holders of a majority of the Series G Preferred Shares then outstanding) with respect to such holders' rights and interests to

insure that the provisions of this Section 2(b) will thereafter be applicable to the Series G Preferred Shares. The Company will not effect any such consolidation, merger or sale, unless prior to the consummation thereof the successor entity (if other than the Company) resulting from consolidation or merger or the entity purchasing such assets assumes, by written instrument (in form and substance satisfactory to the holders of a majority of the Series G

Preferred Shares then outstanding), the obligation to deliver to each holder of Series G Preferred Shares such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire. For purposes of this Agreement, "PERSON" shall mean an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(iii) SPIN OFF. If, at any time prior to a Conversion Date, the Company consummates a spin off or otherwise divests itself of a part of its business or operations or disposes of all or of a part of its assets in a transaction (the "Spin Off") in which the Company does not receive just compensation for such business, operations or assets, but causes securities of another entity (the "Spin Off Securities") to be issued to security holders of the Company, then the Company shall cause (i) to be reserved Spin Off Securities equal to the number thereof which would have been issued to the Holder had all of the holder's Series G Preferred Shares outstanding on the record date (the "Record Date") for determining the amount and number of Spin Off Securities to be issued to security holders of the Company been converted as of the close of business on the trading day immediately before the Record Date (the "Reserved Spin Off Shares"), and (ii) to be issued to the Holder on the conversion of all or any of the outstanding Series G Preferred Shares, such amount of the Reserved Spin Off Shares equal to (x) the Reserved Spin Off Shares multiplied by (y) a fraction, of which (a) the numerator is the principal amount of the outstanding Series G Preferred Shares then being converted, and (b) the denominator is the principal amount of all the outstanding Series G Preferred Shares.

(iv) NOTICES.

(A) Immediately upon any adjustment of the

Conversion Rate, the Company will give written notice thereof to each holder of Series G Preferred Shares, setting forth in reasonable detail and certifying the calculation of such adjustment.

- (B) The Company will give written notice to each holder of Series G Preferred Shares at least twenty (20) days prior to the date on which the Company closes its books or takes a record (I) with respect to any dividend or distribution upon the Common Stock, (II) with respect to any pro rata subscription offer to holders of Common Stock or (III) for determining rights to vote with respect to any Organic Change, dissolution or liquidation.
- (C) The Company will also give written notice to each holder of Series G Preferred Shares at least twenty (20) days prior to the date on which any Organic Change (as defined below), dissolution or liquidation will take place.

(d) MECHANICS OF CONVERSION. Subject to the Company's ability to fully satisfy its obligations under a Conversion Notice (as defined below) as provided for in Section 5 below:

1. HOLDER'S DELIVERY REQUIREMENTS. To convert Series G Preferred Shares into full shares of Common Stock on any date (the "Conversion Date"), the holder thereof shall (A) deliver or transmit by facsimile, for receipt on or prior to 11:59 p.m., Eastern Standard Time, on such date, a copy of a fully executed notice of conversion in the form attached hereto as Exhibit I (the "Conversion Notice") to the Company or its designated transfer agent (the "Transfer Agent"), and (B) surrender to a common carrier for delivery to the Company or the Transfer Agent as soon as practicable following such date, the original certificates representing the Series G Preferred Shares being converted (or an indemnification undertaking with respect to such shares in the case of their loss, theft or destruction) (the "Preferred Stock Certificates") and the originally executed Conversion Notice.

2. COMPANY'S RESPONSE. Upon receipt by the Company of a facsimile copy of a Conversion Notice, the Company shall immediately send, via facsimile, a confirmation of receipt of such Conversion Notice to such holder. Upon receipt by the Company or the Transfer Agent of the Preferred Stock Certificates to be converted pursuant to a Conversion Notice, together with the originally executed Conversion Notice, the Company or the Transfer Agent (as applicable) shall, within five (5) business days following the date of receipt, (A) issue and surrender to a common carrier for overnight delivery to the address as specified in the Conversion Notice, a certificate, registered in the name of the holder or its designee, for the number of shares of Common Stock to which the holder shall be entitled or (B) credit the aggregate number of shares of Common Stock to which the holder shall be entitled to the holder's or its designee's balance account at The Depository Trust Company.
3. RECORD HOLDER. The person or persons entitled to receive the shares of Common Stock issuable upon a conversion of Series G Preferred Shares shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date.

(e) NASDAQ LISTING. So long as the Common Stock is listed for trading on NASDAQ or an exchange or quotation system with a rule substantially similar to NASDAQ Rule 4460(i) then, notwithstanding anything to the contrary contained herein if, at any time, the aggregate number of shares of Common Stock then issued upon conversion of the Series G Preferred Shares (including any shares of capital stock or rights to acquire shares of capital stock issued by the Corporation which are aggregated or integrated with the Common Stock issued or issuable upon conversion of the Series G Preferred Shares for purposes of such rule) equals 19.99% of the "Outstanding Common Amount" (as hereinafter defined), the Series G Preferred Shares shall, from that time forward, cease to be convertible into Common Stock in accordance with the terms hereof, unless the

Corporation (i) has obtained approval of the issuance of the Common Stock upon conversion of the Series G Preferred Shares by a majority of the total votes cast on such proposal, in person or by proxy, by the holders of the then outstanding Common Stock (not including any shares of Common Stock held by present or former holders of Series G Preferred Shares that were issued upon conversion of Series G Preferred Shares (the "Stockholder Approval"), or (ii) shall have otherwise obtained permission to allow such issuances from NASDAQ in accordance with NASDAQ Rule 4460(i). If the Corporation's Common Stock is not

then listed on NASDAQ or an exchange or quotation system that has a rule substantially similar to Rule 4460(i) then the limitations set forth herein shall be inapplicable and of no force and effect. For purposes of this paragraph, "Outstanding Common Amount" means (i) the number of shares of the Common Stock outstanding on the date of issuance of the Series G Preferred Shares pursuant to the Purchase Agreement plus (ii) any additional shares of Common Stock issued thereafter in respect of such shares pursuant to a stock dividend, stock split or similar event. The maximum number of shares of Common Stock issuable as a result of the 19.99% limitation set forth herein is hereinafter referred to as the "Maximum Share Amount." With respect to each holder of Series G Preferred Stock, the Maximum Share Amount shall refer to such holder's pro rata share thereof. In the event that Corporation obtains Stockholder Approval or the approval of NASDAQ, or by reason of the inapplicability of the rules of NASDAQ or otherwise, the Corporation concludes that it is able to increase the number of shares to be issued above the Maximum Share Amount (such increased number being the "New Maximum Share Amount"), the references to Maximum Share Amount, above, shall be deemed to be, instead, references to the greater New Maximum Share Amount. In the event that Stockholder Approval is obtained and there are insufficient reserved or authorized shares, or a registration statement covering the additional shares of Common Stock which constitute the New Maximum Share Amount is not effective prior to the Maximum Share Amount being issued (if such registration statement is necessary to allow for the public resale of such securities), the Maximum Share Amount shall remain unchanged; provided, however, that the holders of Series G Preferred Shares may grant an extension to obtain a sufficient reserved or authorized amount of shares or of the effective date of such registration statement. In the event that (a) the aggregate number of shares of Common Stock actually issued upon conversion of the outstanding Series G Preferred Shares represents at least twenty percent (20%) of the Maximum Share Amount and (b) the sum of (x) the aggregate number of shares of Common Stock issued upon conversion of Series G Preferred Shares plus (y) the aggregate number of shares of Common Stock that remain issuable upon conversion of Series G Preferred Shares and based on the Conversion Price then in effect), represents at least one hundred percent (100%) of the Maximum Share Amount, the Corporation will use its best reasonable efforts to seek and obtain Stockholder Approval (or obtain such other relief as will allow conversions hereunder in excess of the Maximum Share Amount) as soon as practicable following the Triggering Event and before the Mandatory Redemption Date.

(f) FRACTIONAL SHARES. The Company shall not issue any fraction of a share of Common Stock upon any conversion. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of the Series G Preferred Shares by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance

of a fraction of a share of Common Stock. If, after the aforementioned aggregation, the issuance would result in the issuance of a fraction of a share

of Common Stock, the Company shall round such fraction of a share of Common Stock up or down to the nearest whole share.

(g) TAXES. The Company shall pay any and all taxes which may be imposed upon it with respect to the issuance and delivery of Common Stock upon the conversion of the Series G Preferred Shares.

(3) REISSUANCE OF CERTIFICATES. In the event of a conversion or redemption pursuant to this Certificate of Designations of less than all of the Series G Preferred Shares represented by a particular Preferred Stock Certificate, the Company shall promptly cause to be issued and delivered to the holder of such Series G Preferred Shares a Preferred Stock Certificate representing the remaining Series G Preferred Shares which have not been so converted or redeemed.

(4) RESERVATION OF SHARES. During the Conversion Period, the Company shall, so long as any of the Series G Preferred Shares are outstanding, reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series G Preferred Shares, such number of shares of Common Stock as shall from time to time be sufficient to affect the conversion of all of the Series G Preferred Shares then outstanding; provided that the number of shares of Common Stock so reserved shall at no time be less than 100% of the number of shares of Common Stock for which the Series G Preferred Shares are at any time convertible.

(5) VOTING RIGHTS. Holders of Series G Preferred Shares shall have no voting rights, except as required by law, including but not limited to the General Corporation Law of Delaware.

(6) LIQUIDATION, DISSOLUTION, WINDING-UP. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of the Series G Preferred Shares shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its stockholders (the "Preferred Funds"), before any amount shall be paid to the holders of any of the capital stock of the Company of any class junior in rank to the Series G Preferred Shares (other than the Series F Preferred Shares which shall be equal in rank) in respect of the preferences as to the distributions and payments on the liquidation, dissolution and winding up of the Company, an amount per Series G Preferred Share equal to \$1,000 (such sum being referred to as the "Liquidation Value"); provided that, if the Preferred Funds are insufficient to pay the full amount due to the holders of Series G Preferred Shares and holders of shares of other classes or series of preferred stock of the Company that are of equal rank with the Series G Preferred Shares as to payments of Preferred Funds (the "Pari Passu Shares"), then each holder of Series G Preferred Shares and Pari Passu Shares shall receive a percentage of the Preferred Funds equal to the full amount of Preferred Funds payable to such holder as a liquidation preference, in accordance with their respective Certificate of Designations, Preferences and Rights, as a percentage of the full amount of Preferred Funds payable to all holders of Series G Preferred Shares and Pari Passu Shares. The purchase or redemption by the Company of stock of any class in any manner permitted by law,

shall not for the purposes hereof, be regarded as a liquidation, dissolution or winding up of the Company. Neither the consolidation or merger of the Company with or into any other Person, nor the sale or transfer by the Company of less than substantially all of its assets, shall, for the purposes hereof, be deemed to be a liquidation, dissolution or winding up of the Company. No holder of Series G Preferred Shares shall be entitled to receive any amounts with respect thereto upon any liquidation, dissolution or winding up of the Company other than the amounts provided for herein.

(7) PREFERRED RATE. All shares of Common Stock shall be of junior rank to all Series G Preferred Shares in respect to the preferences as to distributions and payments upon the liquidation, dissolution, and winding up of the Company. The rights of the Series G Preferred Shares shall be subject to the Preferences and relative rights of the Series B Convertible Preferred Stock, Series C Convertible Preferred Stock, Series D Convertible Preferred Stock, Series E Convertible Preferred Stock, and Series F Convertible Preferred Stock. Without the prior express written consent of the holders of not less than a majority of the then outstanding Series G Preferred Shares, the Company shall not hereafter authorize or issue additional or other capital stock (other than the Series F Preferred Shares which shall be equal in rank) that is of senior or equal rank to the Series G Preferred Shares in respect of the preferences as to distributions and payments upon the liquidation, dissolution and winding up of the Company. Without the prior express written consent of the holders of not less than a majority of the then outstanding Series G Preferred Shares, the Company shall not hereafter authorize or make any amendment to the Company's Certificate of Incorporation or bylaws, or make any resolution of the board of directors with the Delaware Secretary of State containing any provisions, which would materially and adversely affect or otherwise impair the rights or relative priority of the holders of the Series G Preferred Shares relative to the holders of the Common Stock or the holders of any other class of capital stock. In the event of the merger or consolidation of the Company with or into another corporation, the Series G Preferred Shares shall maintain their relative powers, designations, and preferences provided for herein and no merger shall result inconsistent therewith.

(8) RESTRICTION ON DIVIDENDS. If any Series G Preferred Shares are outstanding, without the prior express written consent of the holders of not less than a majority of the then outstanding Series G Preferred Shares, the Company shall not directly or indirectly declare, pay or make any dividends or other distributions upon any of the Common Stock so long as written notice thereof has not been given to holders of the Series G Preferred Shares at least 30 days prior to the earlier of (a) the record date taken for or (b) the payment of any such dividend or other distribution. Notwithstanding the foregoing, this Section 8 shall not prohibit the Company from declaring and paying a dividend in cash with respect to the Common Stock so long as the Company: (i) pays simultaneously to each holder of Series G Preferred Shares an amount in cash

equal to the amount such holder would have received had all of such holder's Series G Preferred Shares been converted to Common Stock pursuant to Section 2 hereof one business day prior to the record date for any such dividend, and (ii) after giving effect to the payment of any dividend and any other payments

required in connection therewith including to the holders of the Series G Preferred Shares, the Company has in cash or cash equivalents an amount equal to the aggregate of: (A) all of its liabilities reflected on its most recently available balance sheet, (B) the amount of any indebtedness incurred by the Company or any of its subsidiaries since its most recent balance sheet and (C) 120% of the amount payable to all holders of any shares of any class of preferred stock of the Company assuming a liquidation of the Company as the date of its most recently available balance sheet.

(9) VOTE TO CHANGE THE TERMS OF SERIES G PREFERRED SHARES. The affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting of the holders of not less than 66-2/3% of the then outstanding Series G Preferred Shares, shall be required for any change to this Certificate of Designations or the Company's Certificate of Incorporation which would amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series G Preferred Shares.

(10) LOST OR STOLEN CERTIFICATES. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock Certificates representing the Series G Preferred Shares, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue preferred stock certificates if the holder contemporaneously requests the Company to convert such Series G Preferred Shares into Common Stock.

(11) WITHHOLDING TAX OBLIGATIONS. Notwithstanding anything herein to the contrary, to the extent that the Company receives advice in writing from its counsel that there is a reasonable basis to believe that the Company is required by applicable federal laws or regulations and delivers a copy of such written advice to the holders of the Series G Preferred Shares so effected, the Company may reasonably condition the making of any distribution (as such term is defined under applicable federal tax law and regulations) in respect of any Series G Preferred Share on the holder of such Series G Preferred Shares depositing with the Company an amount of cash sufficient to enable the Company to satisfy its withholding tax obligations (the "Withholding Tax") with respect to such distribution. Notwithstanding the foregoing or anything to the contrary, if any holder of the Series G Preferred Shares so effected receives advice in writing from its counsel that there is a reasonable basis to believe that the Company is

not so required by applicable federal laws or regulations and delivers a copy of such written advice to the Company, the Company shall not be permitted to condition the making of any such distribution in respect of any Series G Preferred Share on the holder of such Series G Preferred Shares depositing with the Company any Withholding Tax with respect to such distribution, PROVIDED, HOWEVER, the Company may reasonably condition the making of any such distribution in respect of any Series G Preferred Share on the holder of such Series G Preferred Shares executing and delivering to the Company, at the election of the holder, either: (i) if applicable, a properly completed Internal Revenue Service Form 4224, or (a) an indemnification agreement in reasonably acceptable form, with respect to any federal tax liability, penalties and interest that may be imposed upon the Company by the Internal Revenue Service as a result of the Company's failure to withhold in connection with such distribution to such holder.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed by _____, its _____, as of the _____ day of _____, 2003.

HOMECON COMMUNICATIONS, INC.

By: _____

EXHIBIT I

HOMECON COMMUNICATIONS, INC. CONVERSION NOTICE

Reference is made to the Certificate of Designations, Preferences and Rights of HomeCom Communications, Inc. (the "CERTIFICATE OF DESIGNATIONS"). In accordance with and pursuant to the Certificate of Designations, the undersigned hereby elects to convert the number of shares of Series G Convertible Preferred Stock, \$.01 par value per share (the "SERIES G PREFERRED SHARES"), of HomeCom Communications, Inc., a Delaware corporation (the "COMPANY"), indicated below into shares of Common Stock, \$.0001 par value per share (the "COMMON STOCK"), of the Company, by tendering the stock certificate(s) representing the share(s) of Series G Preferred Shares specified below as of the date specified below.

The undersigned acknowledges that any sales by the undersigned of the securities issuable to the undersigned upon conversion of the Series G Preferred Shares shall be made only pursuant to (i) a registration statement effective under the Securities Act of 1933, as amended (the "ACT"), or (ii) advice of counsel that such sale is exempt from registration required by Section 5 of the Act.

Date of Conversion:

Number of Series G
Preferred Shares to be converted

Stock certificate no(s). of Series G
Preferred Shares to be converted:

Please confirm the following information:

Number of shares of Common
Stock to be issued:

please issue the Common Stock into which the Series G Preferred Shares are being
converted in the following name and to the following address:

Issue to:(1)

Facsimile Number:

Authorization:

By:

Title:

Dated:

ACKNOWLEDGED AND AGREED:

HOME COM COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____

Date: _____

(1) If other than to the record holder of the SERIES G Preferred Shares, any applicable transfer tax must be paid by the undersigned.

SCHEDULE 7.2(e)

CORPORATE GOVERNANCE MATTERS

The parties agree that the following has occurred and/or that they shall draft and execute all corporate governance documents in order to affect the following:

1. CURRENT BUSINESS/EUROTECH BUSINESS/FINANCING

Upon shareholder approval, HomeCom to complete sale of current business to Tulix Systems, Inc. ("Tulix"). Until closing of such sale, all ongoing working capital needs related to operations to be acquired by Tulix will be funded by revenues from those operations or other financings.

The board of directors of Homecom shall approve that the operations and activities of Homecom related license from Eurotech (the "Eurotech Business") will be segregated in an unincorporated division of HomeCom and will be funded at the closing of the License and Exchange Agreement by existing preferred shareholder of HomeCom in an amount equal to \$150,000, subject to acceptable security for financing (such financing, the "Licensed Technology Financing"). The documentation for the Licensed Technology Financing shall provide that such funds shall be used solely and exclusively for the Eurotech Business. Additional documentation to be delivered at closing (i.e., Board approval by HomeCom) will provide that such funds shall be under the sole exclusive control of Don Hahnfeldt, Randy Graves and Michael Sheppard (as employees of HomeCom) and shall be segregated in a separate operating bank account under the control of such individuals only.

2. RESIGNATION OF HOME COM DIRECTORS AND OFFICERS

In anticipation of the closing of the License and Exchange Agreement, two Eurotech designated directors, Don Hahnfeldt and Randy Graves, were elected to the board of directors of Homecom as of March 21, 2003 by current the directors. The board of directors of HomeCom shall grant Mr. Hahnfeldt, Mr. Graves and Mr. Sheppard sole and exclusive authority to manage the Eurotech Business through the unincorporated division discussed above. At the closing of the License and Exchange Agreement, Mr. Hahnfeldt, Mr. Graves and Mr. Sheppard will be hired by Homecom as employees of Homecom in order to effect the foregoing, the board of Homecom to approve such hiring.

In anticipation of the closing of the License and Exchange Agreement, two current directors of Homecom, Mr. Danovitch and Mr. Shatsoff, have resigned as directors and an appropriate Form 8-K will be filed covering these and all other applicable transactions. This will leave the board of directors of Homecom with 6 members (including Mr. Hahnfeldt and Mr. Graves).

3. HOMECOM PROXY

Following the closing of the License and Exchange Agreement, the parties will work together in good faith to update and cause the filing with the Securities and Exchange Commission, and the delivery to Homecom stockholders of, a Homecom Proxy Statement (the "Proxy Statement"). The Proxy Statement will provide that if the Tulix sale is approved by Homecom stockholders and the transaction closes, the remaining existing directors of Homecom, except for Mr. Sheppard, will not stand for re-election at the Special Meeting of Homecom Stockholder called for by the Proxy Statement and a full slate of Eurotech designated directors, to be listed in Proxy Statement, will take office at the closing of the Tulix Sale and existing officers of Homecom will resign and new officers appointed. The Proxy Statement will also cover the increase in the authorized common stock of Homecom, a stock split, the election of the new Eurotech directors and such other matters as the parties may agree on.

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (this "Agreement") made as of this 27th day of March, 2003, by and between EUROTECH, LTD., a District of Columbia corporation ("Eurotech"), and MARKLAND TECHNOLOGIES, INC., a Florida corporation ("MKLD" or the "COMPANY").

When used in this Agreement, the following terms shall have the specified definitions, unless the context otherwise requires:

"CERTIFICATE OF DESIGNATIONS" shall mean the Certificate of Designations of Rights and Preferences of the Series D Preferred Stock, which Certificate of Designations is and shall be in the form attached hereto as EXHIBIT A. Such Certificate of Designations shall be the form filed with the Secretary of State of Florida.

"MKLD COMMON STOCK" shall mean the Common Stock of MKLD, \$.0001 par value.

"PREFERRED D STOCK" shall mean the Series D Convertible Preferred Stock of MLKD, \$.0001 par value.

R E C I T A L S

A. MKLD has agreed to enter into a Private Equity Credit Agreement with a third party in the principal amount of \$10,000,000 (the "EQUITY LINE"). As a condition of closing such agreement, such third party will require that Eurotech and MKLD have entered into and affected the Exchange (as defined below).

B. Eurotech is the owner of two hundred thirty-nine million nine hundred twenty-seven thousand three hundred forty four (239,927,344) restricted shares of the MKLD Common Stock, of which one hundred million (100,000,000) shares form the subject of this Agreement (such 100,000,000 shares, the "EXCHANGED COMMON STOCK").

C. Eurotech wishes to acquire from MKLD 16,000 shares of Preferred D Stock in exchange for the Exchanged Common Stock, and the MKLD desires to affect such exchange (such transaction, the "EXCHANGE"), in each case on the terms set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual agreement contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the

parties hereto agree as follows:

1. (a) EXCHANGE. In consideration of the mutual benefits to be gained by the parties hereto pursuant to the Exchange and the other transactions contemplated by this Agreement, at the Closing (as defined below), Eurotech agrees to exchange with MKLD, and MKLD agrees to exchange with Eurotech, respectively, the Exchanged Common Stock for the Preferred D Stock.

(b) TERMINATION AND GRANT OF CERTAIN REGISTRATION RIGHTS. Eurotech and the Company acknowledge that pursuant to that certain Exchange Agreement, dated December 9, 2002, by and among Eurotech, the Company and certain other parties, Eurotech was granted demand and piggy-back registration rights with respect to the MKLD Common Stock owned by Eurotech (the "OLD REGISTRATION RIGHTS"). At the Closing, Eurotech will agree to terminate the Old Registration Rights and will execute and deliver to the Company such instruments of termination as may be reasonably requested by the Company. Additionally, at the Closing, Eurotech and the Company will enter into a new Registration Rights Agreement in the form attached hereto as EXHIBIT B (the "NEW REGISTRATION RIGHTS AGREEMENT").

2. CLOSING DATE. Subject to the satisfaction (or waiver) of the conditions thereto set forth in Section 7 and Section 8 below, the date of the closing of the Exchange pursuant to this Agreement (the "CLOSING DATE") shall be on April 15, 2003 or such other mutually agreed upon time. The closing of the transactions contemplated by this Agreement (the "CLOSING") shall occur on the Closing Date at the offices of Krieger & Prager, 39 Broadway, Suite 1440, New York, New York or at such other location as may be agreed to by the parties.

2

3. MUTUAL DELIVERIES OF SHARES. At the Closing, upon the delivery by Eurotech of the Exchanged Common Stock duly endorsed for transfer, MKLD shall deliver to Eurotech the Preferred D Stock, bearing substantially the following legend:

THE SECURITIES REPRESENTED HEREBY (THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED.

4. REPRESENTATIONS AND WARRANTIES OF MKLD. MKLD represents and warrants to Eurotech that:

(a) The Company has the corporate power and authority to enter into this Agreement, and to perform its obligations hereunder. The execution and

delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to the effects of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the application of equitable principles in any proceeding (legal or equitable).

(b) There is no pending, or to the knowledge of the Company, threatened, judicial, administrative or arbitral action, claim, suit, proceeding or investigation which might affect the validity or enforceability of this Agreement or which involves the Company and which if adversely determined, could reasonably be expected to have a material adverse effect on the Company.

3

(c) Except as specifically contemplated by this Agreement and as required under the Securities Act of 1933, as amended (the "SECURITIES ACT"), and any applicable federal and state securities laws, or as required under that certain Exchange Agreement, dated December 9, 2002, between MKLD, Market LLC and James LLC (the "Market/James Exchange Agreement"), MKLD is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under this Agreement in accordance with the terms hereof. Except for filings that may be required under applicable federal and state securities laws in connection with the issuance of the Preferred D Stock, all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(d) As of the date of this Agreement, the authorized capital stock of the Company consists of 500,000,000 shares of common stock, par value \$.0001 per share ("MARKLAND COMMON STOCK"), of which 313,870,869 shares shall be issued and outstanding as of the Closing Date, inclusive of the Exchanged Common Stock. All of the outstanding shares of Markland Common Stock are duly authorized, validly issued, fully paid and nonassessable. There are no additional issued and outstanding shares of Markland Common Stock. As of the Closing Date, there are certain shares of preferred stock of MKLD are issued and outstanding, consisting of (i) Series A Convertible Preferred Stock, par value \$.0001 per share ("SERIES A PREFERRED") and (ii) Series C Convertible Preferred Stock, par value \$.0001 per share ("SERIES C PREFERRED"), and no other shares of preferred stock of any class. Except for a certain promissory note held by Market, LLC which is convertible into shares of Markland Common Stock, to the actual knowledge of MKLD's current officers and directors, there are no material options, warrants, or rights to subscribe to, securities, rights or obligations convertible into or exchangeable for or giving any right to subscribe for any

shares of capital stock of the Company. All of the shares of Series A Preferred and Series C Preferred have been duly and validly authorized and issued and are fully paid and non assessable.

4

(e) Except as contemplated by the Market/James Exchange Agreement, to the actual knowledge of MKLD's current officers and directors, the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby, will not (i) conflict with or result in a violation of any provision of its certificate of incorporation, bylaws or other organizational documents, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration, modification or cancellation of, any contract, agreement, note, bond, indenture or other instrument to which the Company is a party or under which the Company, its assets or its capital stock is or may be effected, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations) applicable to the Company or by which any property of the Company, the Markland Common Stock, the Series C Preferred or the Preferred D Stock are or will be bound or affected.

(f) The Company is a reporting company under the Exchange Act of 1934, as amended (the "EXCHANGE Act") and the shares of Markland Common Stock are registered under Section 12(g) of the Exchange Act. The Company has made available to Eurotech, through electronic filings on EDGAR, each registration statement, report, proxy statement or information statement prepared by it since June 30, 2000, including its Annual Report on Form 10-KSB for the years ended June 30, 2001 and June 30, 2002 and its Quarterly Reports on Form 10-QSB for the quarters ended since June 30, 2000, in the form (including exhibits, annexes and any amendments thereto) filed with the Securities and Exchange Commission ("SEC") (collectively, including any such registration statements, reports, proxy statements or information statements filed subsequent to the Agreement Date, its "REPORTS"). Since June 30, 2000, Markland has made all filings required to be made by the Securities Act and the Exchange Act. Except as indicated in its Reports, to the knowledge of the directors, officers and employees of the Company, no Person or group beneficially owns 10% or more of the outstanding voting securities of the Company. As used in this Section 5(f), the terms "beneficially owns" and "group" shall have the meanings ascribed to such terms under Rule 13d-3 and Rule 13d-5 under the Exchange Act.

5

(g) Except as disclosed in the Company's Reports filed prior

to the Closing Date, the businesses of the Company has not been conducted in violation of any applicable laws, rules or regulations of any jurisdiction. Except as disclosed in the Company's Reports filed prior to the Closing Date, no investigation or review by any governmental or regulatory entity ("GOVERNMENTAL ENTITY") with respect to the Company is pending or, to the actual knowledge of its executive officers, threatened, nor has any Governmental Entity indicated an intention to conduct the same, except for those the outcome of which are not, individually or in the aggregate, reasonably likely to have a material adverse effect on the Company or prevent, materially delay or materially impair its ability to consummate the transactions contemplated by this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF EUROTECH. Eurotech hereby represents and warrants to the Company that:

(a) Eurotech has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by Eurotech of this Agreement, and the consummation by Eurotech of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Eurotech. This Agreement has been duly executed and delivered by Eurotech and constitutes a valid and binding obligation of Eurotech, enforceable against it in accordance with its terms, subject to the effects of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the application of equitable principles in any proceeding (legal or equitable).

6

(b) There is no pending, or to the knowledge of Eurotech, threatened, judicial, administrative or arbitral action, claim, suit, proceeding or investigation which might affect the validity or enforceability of this Agreement or which involves Eurotech, and which if adversely determined, could reasonably be expected to have a material adverse effect on Eurotech.

(c) Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable federal and state securities laws, Eurotech is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under this Agreement in accordance with the terms hereof. Except for filings that may be required under applicable federal and state securities laws in connection with the exchange of the Exchanged Common Stock, all consents, authorizations, orders, filings and registrations which Eurotech is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(d) Except as contemplated by that certain Pledge and Security Agreement, dated December 19, 2002, between Eurotech and Woodward LLC (the

"SECURITY AGREEMENT"), the execution, delivery and performance of this Agreement by Eurotech and the consummation by Eurotech of the transactions contemplated hereby, will not (i) conflict with or result in a violation of any provision of its certificate of incorporation, bylaws or other organizational documents, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, note, bond, indenture or other instrument to which Eurotech is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations) applicable to Eurotech or by which any property of Eurotech or the Exchanged Common Stock are bound or affected.

7

(e) Eurotech is a sophisticated investor (as described in Rule 506(b)(2)(ii) of Regulation D) and an accredited investor (as defined in Rule 501 of Regulation D), and Eurotech has such experience in business and financial matters that it is capable of evaluating the merits and risks of an investment in the Preferred D Stock. Eurotech acknowledges that an investment in the Preferred D Stock is speculative and involves a high degree of risk.

(f) Eurotech has received all documents, records, books and other information pertaining to Eurotech's acquisition of the Preferred D Stock pursuant to the Exchange that have been requested by Eurotech.

(g) Eurotech understands that (I) the sale or resale of the shares of Preferred D Stock has not been and is not being registered under the 1933 Act or any applicable state securities laws, and the Preferred D Stock may not be transferred unless (a) the Preferred D Stock are sold pursuant to an effective registration statement under the Securities Act, (b) the Preferred D Stock are sold or transferred pursuant to an exemption from such registration, (c) the Preferred D Stock are sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the Securities Act (or a successor rule) ("RULE 144")) who agrees to sell or otherwise transfer the Preferred D Stock only in accordance with this section and who is an "accredited investor" (as defined under the Securities Act), or (d) the shares of Preferred D Stock are sold pursuant to Rule 144, if such rule is available; (ii) any sale of such shares of Preferred D Stock made in reliance on Rule 144 may be made only in accordance with the terms of said rule and further, if said rule is not applicable, any resale of such shares of Preferred D Stock under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to comply with the terms and conditions of any exemption under the Securities Act.

(h) Except for the restrictions on the Exchanged Common Stock contained in the Security Agreement, Eurotech is the owner of good and marketable title to the Exchanged Common Stock, free and clear of all liens, pledges, and encumbrances.

6. Nothing contained herein shall in any way otherwise limit Eurotech's right to sell or transfer the Preferred D Stock of the Company to be issued to Eurotech.

7. CONDITIONS TO MKLD'S OBLIGATIONS. The obligations of the Company hereunder to exchange and deliver the certificate(s) representing the Preferred D Stock to Eurotech at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions thereto, provided that these conditions are for MKLD's sole benefit and may be waived by MKLD at any time in its sole discretion:

(a) Eurotech shall have executed this Agreement and delivered same to MKLD.

(b) Eurotech shall have delivered the Exchanged Common Stock in accordance with Section 3 above.

(c) The representations and warranties of Eurotech shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and Eurotech shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Eurotech at or prior to the Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

(e) Eurotech shall have executed and delivered to MKLD (i) an instrument terminating the Old Registration Rights as contemplated by Section 1(b) above and (ii) the New Registration Rights Agreement.

8. CONDITIONS TO EUROTECH'S OBLIGATIONS. The obligation of Eurotech hereunder at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions, provided that these conditions are for Eurotech's sole benefit and may be waived by Eurotech at any time in its sole discretion.

(a) MKLD shall have executed this Agreement and delivered the same to Eurotech.

(b) MKLD shall have delivered to Eurotech duly executed certificate(s) representing the Preferred D Stock (in such denominations as Eurotech shall reasonably request) in accordance with Section 3 above.

(c) The representations and warranties of MKLD shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at such time (except for representations and warranties that speak as of a specific date) and MKLD shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by MKLD at or prior to the Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

(e) MKLD shall have executed and delivered to Eurotech the New Registration Rights Agreement.

10

9. GOVERNING LAW; MISCELLANEOUS

(a) GOVERNING LAW; JURISDICTION. THIS AGREEMENT SHALL BE ENFORCED, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITH SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS. THE PARTIES HERETO HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES FEDERAL COURTS LOCATED IN THE CITY OF NEW YORK, NEW YORK WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT, THE AGREEMENTS ENTERED INTO IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. BOTH PARTIES IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT OR PROCEEDING. BOTH PARTIES FURTHER AGREE THAT SERVICE OF PROCESS UPON A PARTY MAILED BY FIRST CLASS MAIL SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE PARTY IN ANY SUCH SUIT OR PROCEEDING. NOTHING HEREIN SHALL AFFECT ANY

PARTY'S RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. THE PARTIES AGREE THAT A FINAL NON-APPEALABLE JUDGMENT IN ANY SUCH SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER LAWFUL MANNER. THE PARTIES HEREBY WAIVE A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

(b) JURY TRIAL WAIVER. The parties hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other in respect of any matter arising out of or in connection with the Transaction Documents.

11

(c) COUNTERPARTS. This Agreement may be executed in one or more counterparts and by facsimile transmission, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

(d) HEADINGS. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(e) SEVERABILITY. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement or the validity or enforceability of this Agreement in any other jurisdiction.

(f) ENTIRE AGREEMENT; AMENDMENTS. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Purchaser make any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived other than by an instrument in writing signed by the party to be charged with enforcement and no provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Purchaser.

(g) NOTICES. Any notices required or permitted to be given under the terms of this Agreement shall be sent by certified or registered mail (return receipt requested) or delivered personally or by courier, overnight delivery service or by confirmed facsimile transmission, and shall be effective five days after being placed in the mail, if mailed, or upon receipt or refusal

of receipt, if delivered personally or by courier, overnight delivery service or confirmed facsimile transmission, in each case addressed to a party. The addresses for such communications shall be:

12

If to the Company:
Eurotech, Ltd.
10306 Eaton Place, Suite 220
Fairfax, VA 22030
Attention: Don Hahnfeldt, President
Fax: 703-352-5994

with a copy (which shall not constitute notice) to:

Ellenoff, Grossman, Schole & Cyruli, LLP
370 Lexington Avenue
New York, NY 10017
Attention: Barry I. Grossman
Telecopier No.: 212-370-7889

If to Markland:

Markland Technologies, Inc.
54 Danbury Road, Suite #207
Ridgefield, CT 06877
Attention: Kenneth P. Ducey
Facsimile No.: 203-431-8301

with a copy (which shall not constitute notice) to:

Krieger & Prager, LLP
39 Broadway
New York, New York 10006
Facsimile No.: 212-363-2999

Each party shall provide notice to the other parties of any change in address.

(h) SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor any Purchaser shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other.

(i) THIRD PARTY BENEFICIARIES. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(j) NO STRICT CONSTRUCTION. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(k) TERMINATION BY MUTUAL CONSENT. This Agreement may be terminated and the Exchange may be abandoned at any time prior to the Closing Date by mutual written consent of Eurotech and the Company, through action of their respective Boards of Directors.

11. FEES. Eurotech agrees to assume the legal fees in excess of \$10,000 incurred by MKLD in connection with the negotiation of the Agreement, and the preparation, execution and implementation of this Agreement, it being agreed that MKLD will be responsible for the first \$10,000 of such fees.

12. PUBLICITY. The initial press release with respect to the Exchange shall be a joint, mutually agreed press release. Thereafter, Eurotech and the Company shall consult with each other prior to issuing any press releases or otherwise making public announcements with respect to the Exchange and prior to making any filings with any third party and/or any Governmental Entity (including any securities exchange) with respect thereto, except as may be required by Law or by obligations pursuant to any listing agreement with or rules of any securities exchange.

13. ADVICE OF COUNSEL; WAIVER. Eurotech and MKLD each acknowledge and agree that they have had the opportunity to seek advice from separate legal counsel in connection with the transactions contemplated by this Agreement and further waive any conflict arising from the past, present or future representation of Eurotech by Ellenoff Grossman Schole & Cyruli, LLP, which firm, the parties acknowledge, has performed, and expects to perform, legal services for both Eurotech and MKLD.

14. FURTHER ASSURANCES. Each party shall do and perform or cause to be done and perform, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

[Signature Page Follows]

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

EUROTECH LTD.

By: /s/ Don V. Hahnfeldt

Name: Don V. Hahnfeldt

Title: President

MARKLAND TECHNOLOGIES, INC.

By: /s/ Kenneth P. Ducey

Name: Kenneth P. Ducey

Title: Executive Vice President

[Signature page to Exchange Agreement]

EXHIBIT A

FORM OF CERTIFICATE OF DESIGNATIONS OF PREFERRED D STOCK

CERTIFICATE OF DESIGNATIONS
OF RIGHTS AND PREFERENCES OF THE
SERIES D CUMULATIVE CONVERTIBLE PREFERRED STOCK
OF
MARKLAND TECHNOLOGIES, INC.

Pursuant to the authority expressly granted and vested in the Board of Directors (the "BOARD OF DIRECTORS" or the "BOARD") of MARKLAND TECHNOLOGIES, INC. (the "COMPANY") by the Florida General Corporation Law (the "CORPORATION LAW") and the provisions of the Company's Certificate of Incorporation, as amended, the Board of Directors adopted the following resolution setting forth the designations, powers, preferences and rights of its Series D Cumulative Convertible Preferred Stock (the "CERTIFICATE OF DESIGNATIONS") on _____, 2003:

RESOLVED: That the designations, powers, preferences and rights of the Series D Cumulative Convertible Preferred Stock be, and they hereby are, as set forth below:

I. DESIGNATION AND AMOUNT

The designation of this series, which consists of 20,000 shares of Preferred Stock, par value \$.0001 per share, is the Series D Cumulative Convertible Preferred Stock (the "DESIGNATED PREFERRED STOCK").

II. CERTAIN DEFINITIONS

For purposes of this Certificate of Designation, the following terms shall have the following meanings:.

A. "BUY-IN ADJUSTMENT AMOUNT" means the amount equal to the excess, if any, of (i) the Converting Holder's total purchase price (including brokerage commissions, if any) for the Covering Shares (as those terms are defined in Article IV Paragraph B(6)) over (ii) the net proceeds (after brokerage commissions, if any) received by the Converting Holder from the sale of the Sold Shares. By way of illustration and not in limitation of the foregoing, if the Converting Holder purchases shares of Common Stock having a total purchase price (including brokerage commissions) of \$11,000 to cover a Buy-In (as defined in Article IV Paragraph B(6)) with respect to shares of Common Stock it sold for net proceeds of \$10,000, the Buy-In Adjustment Amount which the Company will be required to pay to the Converting Holder will be \$1,000.

B. "CLOSING DATE" means _____, 2003.

C. "CLOSING BID PRICE" means the closing bid price during regular trading hours of the Common Stock (in U.S. Dollars) on the Principal Trading Market, as reported by the Reporting Service (as defined below).

D. "COMMON STOCK" means the Company's common stock, par value \$.0001 per share.

E. "CONVERSION CERTIFICATES" means certificates representing the shares of Common Stock issuable on conversion of the Designated Preferred Stock.

F. "CONVERSION DATE" has the meaning ascribed to it in Paragraph B of Article IV hereof.

G. "CONVERSION PRICE" means as of the Conversion Date, the variable conversion price designated as follows: (a) if the price for the Common Stock is less than or equal to \$0.25, then eighty percent (80%) of the Market Price, (b) if the price for the Common Stock is greater than \$0.25 but less than or equal to \$0.50, then seventy five percent (75%) of the Market Price, (c) if the price for the Common Stock is greater than \$0.50 but less than or equal to \$0.75, then seventy percent (70%) of the Market Price, (d) if the price for the Common Stock is greater than \$0.75, then sixty five percent (65%) of the Market Price, subject to adjustment as provided herein.

H. "HOLDER" means a person or entity holding shares of the Designated Preferred Stock.

I. "JUNIOR SECURITIES" means (i) any class or series of capital stock of the Company authorized prior to the filing of this Certificate of Designations that, by its terms, ranks junior to the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary and (ii) all classes or series of capital stock of the Company authorized after the filing of this Certificate of Designations, unless consented to as provided herein in each instance, each of which shall rank junior to the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

J. "LIQUIDATION PREFERENCE" means, with respect to a share of Designated Preferred Stock, an amount equal to the Stated Value thereof.

K. "MARKET PRICE" means the average Closing Bid Prices during the five (5) trading days ending on the trading day immediately preceding the Conversion Date.

L. "PARI PASSU SECURITIES" means any class or series of capital stock of the Company hereafter created specifically ranking, by its terms, on parity with the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

M. "PRINCIPAL TRADING MARKET" means The NASD/OTCBB Market or if the Common Stock is no longer listed on that market, the principal securities exchange or trading market on which the Common Stock is listed or traded, including the pink sheets.

N. "REDEMPTION PRICE" means 120% of the Stated Value, plus accrued dividends during the first 180 days subsequent to the Closing Date; 125% of the Stated Value, plus accrued dividends beginning 181 days and ending 270 days subsequent to the Closing Date; 130% of the Stated Value, plus accrued dividends beginning 271 days and ending 360 days subsequent to the Closing Date; 135% of the Stated Value, plus accrued dividends thereafter.

O. "REPORTING SERVICE" means Bloomberg LP or if that service is not then reporting the relevant information regarding the Common Stock, a comparable reporting service of national reputation selected by the Holders of the Designated Preferred Stock and reasonably acceptable to the Company.

P. "SEC" means the United States Securities and Exchange Commission.

Q. "SECURITIES" means the shares of Designated Preferred Stock or the Common Stock of the Company into which such shares are converted or convertible, as contemplated hereby.

R. "SENIOR SECURITIES" means each class or series of capital stock of the Company authorized prior to the original filing of this Certificate of Designations that, by its terms, is senior to the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary if, but only if, securities from such class or series have been issued prior to the Closing Date and such issuance was disclosed in the filings made by the Company with the SEC and available on the SEC's EDGAR system.

S. "STATED VALUE" for the Designated Preferred Stock shall be \$1,000.00 per share.

T. "TRADING DAY" means any day during which the Principal Trading Market shall be open for business.

III. DIVIDENDS

A. GENERALLY. The holders of shares of Designated Preferred Stock shall not be entitled to receive dividends on shares of Designated Preferred Stock

IV. CONVERSION

A. CONVERSION AT THE OPTION OF THE HOLDER. Each Holder of shares of Designated Preferred Stock may, at any time after the Closing Date and from time to time thereafter, convert (an "OPTIONAL CONVERSION") each of its shares of Designated Preferred Stock into a number of fully paid and nonassessable shares of Common Stock determined in accordance with the following formula:

STATED VALUE OF SHARES TO BE CONVERTED

APPLICABLE CONVERSION PRICE

B. MECHANICS OF CONVERSION. To effect a conversion of shares of the Designated Preferred Stock, the Holder must deliver or fax a Notice of Conversion in the form attached hereto as Exhibit A ("NOTICE OF CONVERSION") to the Company (to the attention of the President or such other officer as may be identified by notice given by the Company to the Holder from time to time) as provided in this Paragraph. The Notice of Conversion shall be executed by the Holder of one or more shares of Designated Preferred Stock and shall evidence such Holder's intention to convert all or a portion of such shares. The date of conversion (the "CONVERSION DATE") shall be deemed to be the date on which the Holder faxes or otherwise delivers a Notice of Conversion to the Company.

1. DELIVERY OF COMMON STOCK UPON CONVERSION. The Conversion Certificates will be delivered to the Converting Holder at the address specified in the Notice of Conversion, via express courier, by electronic transfer or otherwise, within five (5) business days (such fifth business day, a "DELIVERY DATE") after the date on which the Notice of Conversion is delivered to the Company as contemplated in this Paragraph.

2. TAXES. The Company shall pay any and all taxes which may be imposed upon the Company with respect to the issuance and delivery of the shares of Common Stock upon the conversion of the Designated Preferred Stock other than transfer taxes due upon conversion, if such Holder has transferred to another party the Designated Preferred Stock or the right to receive Common Stock upon the Holder's conversion thereof or any or income taxes due on the part of the Holder. The Company shall have the right to withhold any taxes as required by the United States federal or state tax laws.

3. NO FRACTIONAL SHARES. If any conversion of Designated Preferred Stock would result in the issuance of a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon conversion of the Designated Preferred Stock shall be rounded up or down to the nearest whole share, it being understood that .5 of one share shall be rounded up to the next highest share.

4. CONVERSION DISPUTES. In the case of any dispute with respect to a conversion, the Company shall promptly issue such number of shares of Common Stock as are not disputed in accordance with Paragraph A of this Article IV. If such dispute involves the calculation of the Conversion Price, the Company shall first discuss such discrepancy with the Converting Holder. If the Company and the Converting Holder are unable to agree upon the Conversion Price calculation, the Company shall promptly submit the disputed calculations to independent auditors to be selected by the Holder (unless the Holders and the Company mutually agree to a different firm). The auditors, at the expense of the party or parties in error (as determined by the auditors), shall audit the calculations and notify the Company and the Holder of the results within five (5) business days following the date it receives the disputed calculations. The auditor's calculation shall be deemed conclusive, absent manifest error. The Company shall then issue the appropriate number of shares of Common Stock in accordance with Paragraph A of Article IV above.

5. DELAY IN DELIVERING CONVERSION CERTIFICATES. The Company understands that a delay in the delivery of the Conversion Certificates beyond the Delivery Date could result in economic loss to a Holder. As compensation to a Holder for such loss, the Company agrees if there is a delay in the delivery of the Conversion Certificates (as adjusted in accordance with this provision) so that such Conversion Certificates

are not received within five (5) business days after the Delivery Date, to pay late payments to such Holder for late delivery of Conversion

Certificates in accordance with the following schedule (where "No. Business Days Late" is defined as the number of business days beyond five (5) business days after the Delivery Date):

No. Business Days Late	Late Payment For Each \$10,000 of Stated Value Being Converted
1	\$100
2	\$200
3	\$300
4	\$400
5	\$500
6	\$600
7	\$700
8	\$800
9	\$900
10	\$1,000
>10	\$1,000 +\$200 for each Business Day Late beyond 10 days

The Company shall pay any payments incurred under this Paragraph in immediately available funds upon demand. Nothing herein shall limit the Holder's right to pursue actual damages for the Company's failure to issue and deliver the Conversion Certificates to the Holder within a reasonable time. Furthermore, in addition to any other remedies which may be available to a Holder, in the event that the Company fails for any reason to effect delivery of such Conversion Certificates within five (5) business days after the Delivery Date, the Converting Holder will be entitled to revoke the relevant Notice of Conversion by delivering a notice to such effect to the Company whereupon the Company and the Converting Holder shall each be restored to their respective positions immediately prior to delivery of such Notice of Conversion; PROVIDED, HOWEVER, that any payments contemplated by this Paragraph B(5) of this Article IV which have accrued through the date of such revocation notice shall remain due and owing to the Converting Holder notwithstanding such revocation.

6. BUY-IN. If, by the relevant Delivery Date, the Company fails for any reason to deliver the Conversion Certificates and after such Delivery Date, the Holder of the Designated Preferred Stock being converted (a "CONVERTING HOLDER") purchases, in an arm's-length open market transaction or otherwise, shares of Common Stock (the "COVERING SHARES") in order to make delivery in satisfaction of a sale of Common Stock by the Converting Holder (the "SOLD SHARES"), which delivery such

Converting Holder anticipated to make using the shares to be issued upon such conversion (a "BUY-IN"), the Converting Holder shall have the

right to require the Company to pay to the Converting Holder, in addition to and not in lieu of the amounts due under Paragraph B(5) of Article IV hereof (and in addition to all other amounts contemplated in other provisions of the other agreements between the Company and the Holder, and not in lieu of any such other amounts), the Buy-In Adjustment Amount. The Company shall pay the Buy-In Adjustment Amount to the Converting Holder in immediately available funds immediately upon demand by the Converting Holder.

7. DWAC CERTIFICATE DELIVERY. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Company's transfer agent is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer program, upon request of a Converting Holder and his/her compliance with the provisions contained in this paragraph, so long as the certificates therefor do not bear a legend and the Converting Holder thereof is not obligated to return such certificate for the placement of a legend thereon, the Company shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Converting Holder by crediting the account of Converting Holder's prime broker with DTC through its Deposit Withdrawal Agent Commission system.

8. CONVERSION OBLIGATIONS AND DEFAULT. If, at any time the Company challenges, disputes or denies the right of a Holder of Designated Preferred Stock to effect a conversion of the Designated Preferred Stock into Common Stock or otherwise dishonors or rejects any Notice of Conversion delivered in accordance with the terms of this Certificate of Designations (subject to the provisions of Paragraph B(4) of this Article IV with respect to certain disputes relating to calculations of the number of shares to be issued), then such Holder shall have the right, by written notice to the Company, to require the Company to redeem each share of Designated Preferred Stock for which a Notice of Conversion has been refused pursuant to this Paragraph B(8) for cash, at an amount per share equal to the Holder Redemption Price.

9. CONVERSION IN BANKRUPTCY. The Holder of any Designated Preferred Stock shall be entitled to exercise its conversion privilege with respect to the Designated Preferred Stock notwithstanding the commencement of any case under 11 U.S.C. ss.101 ET SEQ. (the "BANKRUPTCY CODE"). In the event the Company is a debtor under the Bankruptcy Code, the Company hereby waives, to the fullest extent permitted, any rights to relief it may have under 11 U.S.C. ss.362 in respect of such Holder's right to convert the Designated Preferred

Stock. The Company agrees, without cost or expense to such Holder, to take or to consent to any and all action necessary to effectuate relief under 11 U.S.C. ss.362.

V. RESERVATION OF SHARES OF COMMON STOCK

A. RESERVED AMOUNT. Upon the initial issuance of the shares of Designated Preferred Stock, the Company shall reserve, out of the authorized but unissued shares of Common Stock, 50,000,000 shares of Common Stock (the "RESERVED AMOUNT"; subject to adjustment as provided below) for issuance upon conversion of the Designated Preferred Stock. Thereafter the number of authorized but unissued shares of Common Stock so reserved shall cover at least a number of shares equal to the sum of two hundred percent (200%) of (A) the

number of shares of Common Stock as would then be issuable upon a conversion in full of the then outstanding Designated Preferred Stock, and (B) the number of shares of Common Stock as would be issuable as payment of dividends on the Designated Preferred Stock. The Reserved Amount shall be adjusted as and when the Conversion Price is adjusted pursuant to Article VIII hereof. The Reserved Amount shall be allocated to the holders of Designated Preferred Stock as provided in Article XI Paragraph D.

VI. REDEMPTION

A. REDEMPTION BY THE COMPANY.

1. Notwithstanding any other provision hereof to the contrary, at any time the Company shall have the right to redeem all or any portion of the then outstanding principal amount of the Designated Preferred Stock then held by the Holder (a "COMPANY REDEMPTION") in cash for an amount (the "COMPANY REDEMPTION AMOUNT") equal to Redemption Price.

2. If the Company elects to make a Company Redemption, the Company shall give written notice of such redemption to the Holder (the "COMPANY NOTICE OF REDEMPTION"). The date on which the Company shall pay the Company Redemption Amount (the "COMPANY REDEMPTION PAYMENT DATE") shall be no fewer than five (5) business days and no later than ten (10) business days after the Company Notice of Redemption is given by the Company.

3. Upon receipt of the Company Notice of Redemption, the Holder's right to effect a Conversion with respect to shares of Designated Preferred Stock being specified as being redeemed in such Company Notice of Redemption shall continue at the until the Company Redemption Payment Date.

4. Restriction on Redemption. The Company shall not be entitled to send Company Notice of Redemption under Section (2) hereof unless it has:

- A.
- (i) The full amount of the applicable Redemption Price in cash or cash equivalents, available in a demand or other immediately available account in one or more banks or similar financial institutions;
 - (ii) Immediately available credit facilities in the full amount of the applicable Redemption Price with one or more banks or similar financial institutions;
 - (iii) An agreement with a standby underwriter willing to purchase from the Company a sufficient number of shares of stock to provide proceeds equal to the applicable Redemption Price; or
 - (iv) A combination of the items set forth in (i), (ii) and (iii) above, aggregating the full amount of the applicable Redemption Price.
- B. Certified to the Holder, in writing, that it is not aware of the existence or imminent existence or likelihood of any event described in Article VIII. A.

5. At the election of the Holder at any time prior to the date on which the Company pays the Company Redemption Amount to the Holder, the Holder shall have the right to convert the Designated Preferred Stock as if such Company Notice of Redemption had never been given.

VII. LIQUIDATION PREFERENCE

A. LIQUIDATION, DISSOLUTION, WINDING UP OR CERTAIN MERGERS OR CONSOLIDATIONS. If the Company shall adopt a plan of liquidation or of dissolution, or commence a voluntary case under the federal bankruptcy laws or any other applicable state or federal bankruptcy, insolvency or similar law, or consent to the entry of an order for relief in any involuntary case under such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Company or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due and on account of such event the Company shall liquidate, dissolve or wind up, or if the Company shall otherwise liquidate, dissolve or wind up, including but not limited to the sale or transfer of all or substantially all of the Company's assets in one transaction or in a series of related transactions (a "Liquidation Event"), then and in that event, no distribution shall be made to the holders of Junior Securities, unless, prior thereto, the holders of the Designated Preferred Stock shall have first received an amount in cash or equivalent value in securities or other consideration equal to the Liquidation Preference thereof. If upon any liquidation, dissolution, winding up, merger, plan of reorganization or consolidation, the amount so payable or distributable does not equal or exceed the Liquidation Preference of the Designated Preferred

Stock, then, and in that event, the amount of cash so payable, and amount of securities or other consideration so distributable, shall be shared ratably among the holders of the Designated Preferred Stock.

VIII. ADJUSTMENTS TO PRICES

A. SALE. The Conversion Price shall be subject to adjustment from time to time as follows: If, for as long as any shares of Designated Preferred Stock remain outstanding, the Company enters into a merger (other than where the Company is the surviving entity) or consolidation with, or acquisition by, another corporation or other entity or a sale or transfer of all or substantially all of the assets of the Company to another person, or there is an outstanding tender offer for the Common Stock of the Company or the Company enters into a transaction that could result in a change in control of the Company (collectively, a "SALE"), the Company will require, in the agreements reflecting such transaction, that the surviving entity expressly assume the obligations of the Company hereunder. Notwithstanding the foregoing, if the Company enters into a Sale and the holders of the Common Stock are entitled to receive stock, securities or property in respect of or in exchange for Common Stock, then as a condition of such Sale, the Company and any such successor, purchaser or transferee will agree that the Designated Preferred Stock may thereafter be converted on the terms and subject to the conditions set forth above into the kind and amount of stock, securities or property receivable upon such merger, acquisition, consolidation, sale or transfer by a Holder of the number of shares of Common Stock into which then outstanding shares of Designated Preferred Stock might have been, pursuant to this Certificate, converted immediately before such merger, acquisition, consolidation, sale or transfer at the Conversion Price, subject to any adjustments which shall be as nearly equivalent as may be practicable. In the event of any such proposed Sale,

the Holder hereof shall have the right to either (i) convert all of any of the outstanding Designated Preferred Stock by delivering a Notice of Conversion to the Company at the Conversion Price within 15 days of receipt of notice of such Sale from the Company or (ii) if the surviving entity in the transaction is not a publicly traded entity listed on a Principal Trading Market, demand a redemption of all or any of the outstanding Designated Preferred Stock at the Redemption Price by delivering a notice to such effect to the Company within fifteen (15) days of receipt of notice of such Sale from the Company.

B. SPIN OFF. If, at any time prior to the Conversion Date or the date of payment of the Company Redemption Amount hereunder, the Company consummates a spin off or otherwise divest itself of a part of its business or operations or disposes all or of a part of its assets in a transaction (the "SPIN OFF") in which the Company does not receive just compensation for such business, operations or assets, but causes securities of another entity (the "SPIN OFF SECURITIES") to be issued to security holders of the Company, then the Company shall cause (i) to be reserved Spin Off Securities equal to the number

thereof which would have been issued to the Holder had all of the holder's shares of Designated Preferred Stock outstanding on the record date (the "RECORD DATE") for determining the amount and number of Spin Off Securities to be issued to security holders of the Company (the "OUTSTANDING DESIGNATED PREFERRED STOCK") been converted as of the close of business on the trading day immediately before the Record Date (the "RESERVED SPIN OFF SHARES"), and (ii) to be issued to the Holder on the conversion of all or any of the outstanding Designated Preferred Stock, such amount of the Reserved Spin Off Shares equal to (x) the Reserved Spin Off Shares multiplied by (y) a fraction, of which (a) the numerator is the principal amount of the outstanding Designated Preferred Stock then being converted, and (b) the denominator is the principal amount of the outstanding Designated Preferred Stock.

C. STOCK SPLITS, ETC. If, at any time while any shares of Designated Preferred Stock remain outstanding, the Company effectuates a stock split or reverse stock split of its Common Stock or issues a dividend on its Common Stock consisting of shares of Common Stock, the Conversion Price shall be equitably adjusted to reflect such action. By way of illustration, and not in limitation, of the foregoing (i) if the Company effectuates a 2:1 split of its Common Stock, the Conversion Price shall be deemed to be one-half of what it had been calculated to be immediately prior to such split; (ii) if the Company effectuates a 1:10 reverse split of its Common Stock, thereafter, with respect to any conversion for which the Company issues the shares after the record date of such reverse split, the Conversion Price shall be deemed to be ten times what it had been calculated to be immediately prior to such split; and (iii) if the Company declares a stock dividend of one share of Common Stock for every 10 shares outstanding, thereafter the Conversion Price shall be deemed to be the amount it had been calculated to be immediately prior to such dividend multiplied by a fraction, of which (x) the numerator is the number of shares (10 in the example) for which a dividend share will be issued and (y) the denominator is such number of shares plus the dividend share(s) issuable or issued thereon (11 in the example).

D. NOTICE OF ADJUSTMENTS. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Article VIII, the Company, at its expense, shall promptly compute such adjustment or readjustment and prepare and furnish to each Holder of Designated Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the

written request at any time of any Holder of Designated Preferred Stock, furnish to such Holder a like certificate setting forth (i) such adjustment or readjustment, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of a share of Designated Preferred Stock.

IX. VOTING RIGHTS

A. GENERALLY. The holders of the Designated Preferred Stock shall not be entitled to vote with the holders of Common Stock, except as otherwise provided by the Florida Corporation Law or otherwise contemplated by this Certificate of Designations. To the extent that either Florida Corporation Law or the Company's Articles of Incorporation allows or requires the vote of the holders of the Designated Preferred Stock, voting separately as a class or series, as applicable, to authorize a given action of the Company, the affirmative vote or consent of the holders of 67% of the outstanding shares of Designated Preferred Stock shall constitute the approval of such action by the class.

X. CONVERSION RESTRICTIONS

A. CERTAIN CONVERSION RESTRICTIONS. Notwithstanding anything to the contrary contained herein other than a conversion pursuant to Paragraphs A or B of Article VIII, the number of shares of Common Stock that may be acquired by a Holder upon any conversion of Designated Preferred Stock (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with such Holder's for purposes of Section 13(d) of the Exchange Act, does not exceed 9.999% of the total number of issued and outstanding shares of Common Stock. For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. Each delivery of a Conversion Notice hereunder will constitute a representation by the applicable Holder that it has evaluated the limitation set forth in this section and determined that issuance of the full number of Underlying Shares requested in such Conversion Notice is permitted. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a merger or other business combination or reclassification involving the Company as contemplated in Article VIII herein.

XI. MISCELLANEOUS

A. RANK. The Designated Preferred Stock shall rank (i) prior to the Company's Common Stock; (ii) prior to any Junior Securities; (iii) junior to any Senior Securities; and (iv) PARI PASSU with any Pari Passu Securities; PROVIDED, HOWEVER, that no additional Senior Securities or Pari Passu Securities shall be created without the written consent of two thirds of the holders of the outstanding Designated Preferred Stock.

B. CANCELLATION OF DESIGNATED PREFERRED STOCK. If any shares of Designated Preferred Stock are converted or redeemed pursuant to this Certificate of Designations, the shares so converted shall be canceled, shall return to the status of authorized, but unissued preferred stock of no designated series, and shall not be issuable by the Company as Designated

Preferred Stock.

C. LOST OR STOLEN CERTIFICATES. Upon receipt by the Company of (i) evidence of the loss, theft, destruction or mutilation of any Designated Preferred Stock certificate(s) and (ii) (y) in the case of loss, theft or destruction, of indemnity (without any bond or other security) reasonably satisfactory to the Company, or (z) in the case of mutilation, upon surrender and cancellation of the Designated Preferred Stock certificate(s), the Company shall execute and deliver new Designated Preferred Stock certificate(s) of like tenor and date. However, the Company shall not be obligated to reissue such lost or stolen Designated Preferred Stock certificate(s) if the Holder contemporaneously requests the Company to convert such Designated Preferred Stock.

D. ALLOCATION OF RESERVED AMOUNT. The Reserved Amount shall be allocated pro rata among the holders of Designated Preferred Stock based on the number of shares of Designated Preferred Stock issued to each Holder. Each increase to the Reserved Amount shall be allocated pro rata among the holders of Designated Preferred Stock based on the number of shares of Designated Preferred Stock held by each Holder at the time of the increase in the Reserved Amount. In the event a Holder shall sell or otherwise transfer any of such holder's shares of Designated Preferred Stock, each transferee shall be allocated a pro rata portion of such transferor's Reserved Amount. Any portion of the Reserved Amount which remains allocated to any person or entity which does not hold any Designated Preferred Stock shall be allocated to the remaining holders of shares of Designated Preferred Stock, pro rata based on the number of shares of Designated Preferred Stock then held by such holders.

E. PAYMENT OF CASH; DEFAULTS. Whenever the Company is required to make any cash payment to a Holder under this Certificate of Designations (upon redemption or otherwise), such cash payment shall be made to the Holder in good funds on the date specified herein or, if not so specified, within five (5) business days after delivery by such Holder of a notice specifying that the Holder elects to receive such payment in cash and the method (E.G., by check, wire transfer) in which such payment should be made. If such payment is not delivered within the relevant time period, such Holder shall thereafter be entitled to interest on the unpaid amount at a per annum rate equal to the lower of 15% and the highest interest rate permitted by applicable law until such amount is paid in full to the Holder.

F. STATUS AS STOCKHOLDER. Upon submission of a Notice of Conversion by a Holder of Designated Preferred Stock, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their listing or issuance would exceed any applicable legal or regulatory limitation) shall be deemed converted into shares of Common Stock and (ii) the holder's rights as a Holder of such converted shares of Designated Preferred Stock shall cease and terminate, excepting only the right to receive certificates for such shares of

Common Stock and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Company to comply with the terms of this Certificate of Designations.

G. JURY TRIAL WAIVER. The Company and, by its acceptance of the shares of the Designated Preferred Stock, the Holder hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the Parties hereto against the other in respect of any matter arising out or in connection with this Certificate of Designations.

H. AMENDMENTS. This Certificate of Designations may only be amended with the written consent of the holders of sixty-seven (67%) percent of the outstanding Designated Preferred Stock and the vote or action of any other party or class entitled to vote or act thereon.

MARKLAND TECHNOLOGIES, INC.

By: _____
Authorized Officer

EXHIBIT A

MARKLAND TECHNOLOGIES, INC.

NOTICE OF CONVERSION

(To be Executed by the Registered Holder
in order to Convert the Series D Cumulative Convertible Preferred Stock)

TO: MARKLAND TECHNOLOGIES, INC. VIA TELECOPIER ()

Attn:

FROM: _____ ("Holder")

DATE: _____ "Conversion Date")

RE: Conversion of \$ _____ Stated Value (the "Converted Preferred Stock") of the SERIES D Cumulative Convertible Preferred Stock (the "Designated Preferred Stock") of MARKLAND TECHNOLOGIES, INC. (the "Company") into _____ shares (the "Conversion Shares") of Common Stock (defined below)

The captioned Holder hereby gives notice to the Company, pursuant to the Certificate of Designations (the "Certificate of Designations") for the Designated Preferred Stock of the Company that the Holder elects to convert the Converted Preferred Stock into fully paid and non-assessable shares of Common Stock, par value \$.0001 per share (the "Common Stock"), of the Company as of the Conversion Date specified above. Said conversion shall be based on the following Conversion Price (CHECK ONE):

\$ _____; or

Other \$ _____, based on adjustment(s) contemplated by the Certificate of Designations

Based on this Conversion Price, the number of Conversion Shares indicated above should be issued in the following name(s):

Name and Record Address	Conversion Shares
-------------------------	-------------------

(Print name of Holder)

By:

EXHIBIT B

FORM OF NEW REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT") is made and entered into effective as of _____, 2003, by and between Markland Technologies, Inc., a Florida corporation (the "COMPANY") and Eurotech, Ltd., a District of Columbia corporation ("EUROTECH").

RECITALS

WHEREAS, as of the date hereof, Eurotech and Markland are entering into an Exchange Agreement (the "EXCHANGE AGREEMENT"), pursuant to which Markland has agreed to grant to Eurotech the registration rights set forth herein.

NOW, THEREFORE, to implement the foregoing and in consideration of the mutual terms, conditions and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as

follows:

1. PIGGYBACK REGISTRATION.

RIGHT TO PIGGYBACK REGISTRATION. Subject to the terms hereof, whenever the Company proposes to register any Company Equity Securities under the Securities Act (other than in connection with a registration statement for Company Equity Securities issued pursuant to the Equity Line (as defined in the Exchange Agreement) or pursuant to a registration statement on Form S-4, Form S-8 or any successor form) and the registration statement form to be used may be used for the registration of Registrable Securities, the Company shall give prompt written notice to Eurotech of its intention to effect such a registration. Subject to Section 1(b) below, the Company shall include in such registration and use commercially reasonable efforts to include in any underwriting 10,000,000 shares of Registrable Securities held by Eurotech with respect to which the Company has received a written request from Eurotech for inclusion therein (such registration, a "PIGGYBACK REGISTRATION") within 15 days after the receipt of the Company's notice.

PRIORITY ON PRIMARY REGISTRATIONS. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing 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 without materially and adversely affecting the marketability of such offering or the timing thereof, the Company shall include in such registration all Registrable Securities held by Eurotech on the condition that Eurotech will agree to refrain from selling a reasonable number of such Registrable Securities (as determined in good faith by the Company based on the impact on the timing and marketability of the offering of the sale immediate by Eurotech of all of its Registrable Securities) for a three (3) month period following the declaration of effectiveness of the applicable registration statement.

2. REGISTRATION PROCEDURES.

Whenever Eurotech has requested that any Registrable Securities be registered pursuant to this Agreement, the Company shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective;

(b) notify Eurotech of the effectiveness of each registration statement filed hereunder and prepare and file with the SEC such amendments and

supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and the prospectus included therein usable for a period commencing on the date that such registration statement is initially declared effective by the SEC and ending on the date when all Registrable Securities covered by such registration statement have been sold pursuant to the registration statement or cease to be Registrable Securities, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to Eurotech such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by Eurotech;

(d) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as Eurotech reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable Eurotech to consummate the disposition in such jurisdictions of the Registrable Securities owned by Eurotech; provided, that the Company shall not be required to: (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph; (ii) subject itself to taxation in any such jurisdiction; or (iii) consent to general service of process in any such jurisdiction;

(e) notify Eurotech, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of Eurotech, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(f) cause all such Registrable Securities to be listed or quoted on each securities exchange or market on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(h) enter into such customary agreements (including underwriting agreements in customary form) in order to expedite or facilitate the disposition

of such Registrable Securities;

(i) make available for inspection by any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, managers, employees and independent accountants to supply all information reasonably requested by any such underwriter, attorney, accountant or agent in connection with such registration statement;

(j) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(k) 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 Securities included in such registration statement for sale in any jurisdiction, the Company shall use its reasonable best efforts promptly to obtain the withdrawal of such order;

(l) subject to Section 2(d) above, use its reasonable best efforts to cause any Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities; and

(m) if the offering is underwritten, use its reasonable best efforts to furnish on the date that Registrable Securities are delivered to the underwriters for sale pursuant to such registration, an opinion dated such date of counsel representing the Company for the purposes of such registration, addressed to the underwriters covering such issues as are reasonably required by such underwriters.

3. REGISTRATION EXPENSES.

(a) PAYMENT OF REGISTRATION EXPENSES. All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding underwriting discounts and commissions relating to the Registrable Securities) and other Persons retained by the Company (all such expenses being herein called "REGISTRATION EXPENSES"), shall be borne by the

Company. The Company shall, in addition, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing or quoting the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or on the NASDAQ Stock Market.

(b) PAYMENT OF REGISTRATION EXPENSES BY HOLDERS OF REGISTRABLE SECURITIES. To the extent Registration Expenses are not required to be paid by the Company (including, without limitation, any underwriting discounts or commissions that are the responsibility of the holders of Registrable Securities), each holder of Eurotech shall pay those Registration Expenses allocable to the registration of Eurotech's securities so included, and any Registration Expenses not so allocable shall be payable by all sellers of securities included in such registration in proportion to the aggregate selling price of the securities to be so registered.

4. INDEMNIFICATION.

(a) INDEMNIFICATION BY THE COMPANY. The Company agrees to indemnify, to the extent permitted by law, Eurotech, its officers, directors, employees, agents and representatives and each Person who controls Eurotech (within the meaning of the Securities 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, results from the failure of Eurotech to provide information necessary for the registration statement to the Company, or by Eurotech's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with a sufficient number of copies of the same.

(b) INDEMNIFICATION BY EUROTECH. In connection with any registration statement in which Eurotech is participating, Eurotech shall 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 permitted by law, shall indemnify the Company, its officers, directors, employees, agents and representatives and each Person who controls the Company (within the meaning of the Securities 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 resulting from such information provided by Eurotech or any

omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading and not provided by Eurotech; provided that the obligation to indemnify shall be limited to the net amount of proceeds received by Eurotech from the sale of Registrable Securities pursuant to such registration statement.

(c) PROCEDURE FOR INDEMNIFICATION. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) 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 shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. Notwithstanding anything in this Section 4(c) to the contrary, in the event the Company determines, in good faith, that a claim materially affects the interests of the Company, the Company may solely control the defense of such claim with counsel reasonably satisfactory to the Company. In the event the Company is an indemnified party pursuant to this Section 4, the indemnifying party may be subject to liability if the Company settles a claim in good faith and in a reasonable manner.

5. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. Eurotech may not participate in any registration hereunder unless Eurotech:

(a) in the case of a registration which is underwritten, agrees to sell Eurotech's securities on the basis provided in any underwriting arrangements approved by the Company;

(b) as expeditiously as possible, notifies the Company, at any time when a prospectus relating to such Eurotech's Registrable Securities is required to be delivered under the Securities Act, of the happening of any event as a result of which such prospectus contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading; and

(c) completes, executes and delivers all questionnaires, powers of attorney, indemnities, underwriting agreements and other usual and customary

documents necessary or appropriate with respect to the offering of such Eurotech's Registrable Securities, and in the case of a registration which is underwritten, necessary or appropriate under the terms of such underwriting arrangements (subject to the provision in Section 5(a) above).

6. DEFINITIONS.

(a) The term "CAPITAL STOCK" means and includes (a) any and all shares, interests, participations or other equivalents of or interests in (however designated) corporate stock, including shares of preferred or preference stock and (b) all equity or ownership interests in any Person of any other type, including any securities convertible into or exchangeable for any of the foregoing or any options, warrants or other rights to subscribe for, purchase or acquire any of the foregoing.

(b) The term "COMPANY EQUITY SECURITIES" means any Capital Stock of the Company or options, warrants or other rights acquire Capital Stock of the Company.

(c) The term "PERSON" means any individual, Company, partnership, joint venture, association, joint-stock company, limited liability company, trust or unincorporated organization.

(d) The term "REGISTRABLE SECURITIES" means all of the Company Equity Securities; PROVIDED, HOWEVER, that as to any particular Registrable Securities that have been issued, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of under such registration statement, (ii) all Registrable Securities owned by a holder thereof may be resold in a single 90-day period pursuant to Rule 144 under the Securities Act (or any similar rule then in force), (iii) they shall have been distributed to the public pursuant to Rule 144 under the Securities Act (or any similar rule then in force), (iv) they become available for sale under Rule 144(k) under the Securities Act (or any similar rule then in force), or (v) they shall have ceased to be outstanding.

(e) The term "SEC" mean the United States Securities and Exchange Commission.

(f) The term "SECURITIES ACT" means the Securities Act of 1933, as amended, or any similar federal law then in force.

(g) The term "SECURITIES EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any similar federal law then in force.

7. MISCELLANEOUS.

(a) NO INCONSISTENT AGREEMENTS. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to Eurotech under this Agreement, and in the event that any such agreement is entered into by the Company, the terms and provisions of this Agreement will prevail over those contained in any such agreement.

(b) REMEDIES. Any Person having rights under any provision of this Agreement shall 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.

(c) AMENDMENTS AND WAIVERS. Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and Eurotech.

(d) SUCCESSORS AND ASSIGNS. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities. Upon any

transfer of Registrable Securities, the holder of the Registrable Securities shall use its best efforts to have the new holder of Registrable Securities sign a joinder agreement pursuant to which such transferee shall agree to be bound by the terms of this Agreement applicable to the holder of such Registrable Securities, provided that, even in the absence of such joinder agreement, by taking and holding such Registrable Securities, such new holder shall be conclusively deemed to have agreed to be bound by the terms hereof applicable to such new holder.

(e) SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(f) COUNTERPARTS; FACSIMILE TRANSMISSION. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not

contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement. Each party to this Agreement agrees that it will be bound by its own facsimile signature and that it accepts the facsimile signature of each other party to this Agreement.

(g) DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(h) GOVERNING LAW. This Agreement shall be construed and governed in accordance with the laws of the State of New York, without regard to the conflicts of laws principles thereof.

(i) NOTICES. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered in conformance with the applicable provisions of the Exchange Agreement.

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

MARKLAND TECHNOLOGIES, INC.

By:

Name: Kenneth P. Ducey, Jr
Title: Executive Vice President

EUROTECH, LTD.

By:

Name: Don V. Hahnfeldt
Title: President

[Signature Page to Registration Rights Agreement]

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (this "AGREEMENT") made as of this 27th day of March, 2003, by and between WOODWARD LLC, an entity organized and existing under the laws of the Cayman Islands ("WOODWARD") and EUROTECH, LTD., a District of Columbia corporation ("EUROTECH" or the "COMPANY"), and

When used in this Agreement, the following terms shall have the specified definitions, unless the context otherwise requires:

"SERIES D STOCK" shall mean the Series D Preferred Stock of Markland Technologies, Inc. ("MARKLAND"), \$.0001 par value.

"PREFERRED STOCK" shall mean the Series A 3% Convertible Preferred Stock, \$.01 par value, and Series B 5% Convertible Preferred Stock, \$.01 par value of Eurotech.

R E C I T A L S

A. Woodward is the (i) owner of good and marketable title to 2,500 shares of the Eurotech Series A Preferred Stock, and (ii) holder of the right to have issued to it 8,000 shares of the Eurotech Series B Preferred Stock, in each case free and clear of all liens and encumbrances (such shares and rights, the "EXCHANGED STOCK").

B. Eurotech wishes to (i) acquire the Series A Preferred Stock from Woodward for the purpose of retiring such shares, and (ii) accept Woodward's termination of its rights to acquire the Series B Preferred Stock, in each case in exchange for 16,000 shares of the Series D Stock, and Woodward and Eurotech desire to effect such exchange (such transaction, the

"EXCHANGE"), in each case on the terms set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual agreement contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. EXCHANGE. In consideration of the mutual benefits to be gained by the parties hereto pursuant to the Exchange, at the Closing (as defined below), Woodward agrees to exchange with Eurotech, and Eurotech agrees to exchange with Woodward, respectively, the Exchanged Stock for the Series D Stock.

2. CLOSING DATE. Subject to the satisfaction (or waiver) of the conditions thereto set forth in Section 7 and Section 8 below, the date of the closing of the Exchange pursuant to this Agreement (the "CLOSING DATE") shall be on April 15, 2003 or such other mutually agreed upon time. The closing of the transactions contemplated by this Agreement (the "CLOSING") shall occur on the Closing Date at the offices of Krieger & Prager, 39 Broadway, Suite 1440, New York, New York or at such other location as may be agreed to by the parties.

3. MUTUAL DELIVERIES. Upon the delivery by Woodward of the Series A Stock duly endorsed for transfer, and the release and surrender of its rights to receive the unissued Series B Stock, Eurotech shall deliver to Woodward the Series D Stock, registered in the name of Woodward or its designee, bearing substantially the following legend:

THE SECURITIES REPRESENTED HEREBY (THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE

SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED.

The delivery by Eurotech to Woodward of the Series D Stock at the Closing shall coincide with and shall be deemed evidence of Woodward's release and termination of its rights to receive Eurotech Series B Preferred Stock, as referenced in that certain Termination and Release Agreement between the parties, which agreement shall be delivered at the Closing (the "TERMINATION AGREEMENT").

4. REPRESENTATIONS AND WARRANTIES OF EUROTECH. EUROTECH represents and warrants to Woodward that:

(a) The Company has the corporate power and authority to enter into this Agreement, and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and constitute a valid and binding obligations of the Company enforceable against it in accordance with its terms, subject to the effects of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the application of equitable principles in any proceeding (legal or equitable).

(b) There is no pending, or to the knowledge of the Company, threatened, judicial, administrative or arbitral action, claim, suit, proceeding

or investigation which might affect the validity or enforceability of this Agreement or which involves the Company and which if adversely

determined, could reasonably be expected to have a material adverse effect on the Company.

(c) Except for filings required by any applicable securities law, no consent or approval of, or exemption by, or filing with, any party or governmental or public body or authority is required in connection with the execution, delivery and performance of the Company under this Agreement or the taking of any action contemplated hereunder.

(d) The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby, will not (i) conflict with or result in a violation of any provision of its certificate of incorporation, bylaws or other organizational documents, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration, modification or cancellation of, any contract, agreement, note, bond, indenture or other instrument to which the Company is a party or under which the Company, its assets or its capital stock is or may be effected, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations) applicable to the Company or by which any property of the Company, including, without limitation, the Series D Stock, will be bound or affected. Except as specifically contemplated by this Agreement and as required under the Securities Act of 1933, as amended (the "SECURITIES ACT"), and any applicable federal and state securities laws, Eurotech is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to

execute, deliver or perform any of its obligations under this Agreement in accordance with the terms hereof. Except for filings that may be required under applicable federal and state securities laws, all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(e) Eurotech is the owner of good and marketable title to the shares of Series D Stock held by it, free and clear of all liens, pledges and encumbrances or any other stop transfer orders (except as may be required by the

applicable securities laws).

(f) Annexed hereto as Exhibit A is a true and complete copy of the Certificate of Designations of the Series D Stock as filed with the Secretary of State of the State of Florida prior to the Closing.

5. REPRESENTATIONS AND WARRANTIES OF WOODWARD. Woodward hereby represents and warrants to the Company that:

(a) Woodward has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by Woodward of this Agreement, and the consummation by Woodward of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of the Woodward. This Agreement has been duly executed and delivered by Woodward and constitute valid and binding obligations of Woodward, enforceable against it in accordance with their respective terms, subject to the effects of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the application of equitable principles in any proceeding (legal or equitable).

(b) There is no pending, or to the knowledge of Woodward, threatened, judicial, administrative or arbitral action, claim, suit, proceeding or investigation which might affect the validity or enforceability of this Agreement or which involves Woodward, and which if adversely determined, could reasonably be expected to have a material adverse effect on Woodward.

(c) No consent or approval of, or exemption by, or filing with, any party or governmental or public body or authority is required in connection with the execution, delivery and performance by Woodward under this Agreement or the taking of any action contemplated hereunder.

(d) The execution, delivery and performance of this Agreement by Woodward and the consummation by Woodward of the transactions contemplated hereby, will not (i) conflict with or result in a violation of any provision of its certificate of incorporation, bylaws or other organizational documents, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, note, bond, indenture or other instrument to which Woodward is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations) applicable to Woodward or by which any property of Woodward are bound or affected. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable federal and state securities laws, Woodward is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental

agency, regulatory agency, self

regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under this Agreement in accordance with the terms hereof. Except for filings that may be required under applicable federal and state securities laws in connection with the exchange of the Exchanged Stock, all consents, authorizations, orders, filings and registrations which Woodward is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(e) Woodward is a sophisticated investor (as described in Rule 506(b)(2)(ii) of Regulation D) and an accredited investor (as defined in Rule 501 of Regulation D), and Woodward has such experience in business and financial matters that it is capable of evaluating the merits and risks of an investment in the Series D Stock. Woodward acknowledges that an investment in the Series D Stock is speculative and involves a high degree of risk.

(f) Woodward has received all documents, records, books and other information pertaining to Woodward's acquisition of the Series D Stock pursuant to the Exchange that have been requested by Woodward.

(g) Eurotech has made available to Woodward, through electronic filings on EDGAR, each registration statement, report, proxy statement or information statement prepared by Markland since June 30, 2001, including its Annual Report on Form 10-KSB for the years ended June 30, 2001 and June 30, 2002 and its Quarterly Reports on Form 10-QSB for the quarters ended since June 30, 2002, in the form (including exhibits, annexes and any amendments thereto) filed with the Securities and Exchange Commission ("SEC") subsequent to the Agreement Date, its "REPORTS").

(h) Woodward understands that (i) the sale or resale of the shares of Series D Stock has not been and is not being registered under the Securities Act or any applicable state securities laws, and the Series D Stock may not be transferred unless (a) the Series D Stock are sold pursuant to an effective registration statement under the Securities Act, (b) the Series D Stock are sold or transferred pursuant to an exemption from such registration, (c) the Series D Stock are sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the Securities Act (or a successor rule) ("RULE 144")) who agrees to sell or otherwise transfer the Series D Stock only in accordance with this section and who is an "accredited investor" (as defined under the Securities Act), or (d) the shares of Series D Stock are sold pursuant to Rule 144, if such rule is available; (ii) any sale of such shares of Series D Stock made in reliance on Rule 144 may be made only in accordance with the terms of said rule and further, if said rule is not applicable, any resale

of such shares of Series D Stock under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to comply with the terms and conditions of any exemption under the Securities Act. As used in this paragraph (g), Series D Stock includes the shares of Common Stock issuable upon conversion of the Series D Stock.

(i) Woodward is the owner of good and marketable title to the Exchanged Stock, free and clear of all liens, pledges, and encumbrances.

6. Nothing contained herein shall in any way otherwise limit Woodward's right

to sell or transfer the Common Stock to be delivered to Woodward upon conversion of the Series D Stock.

7. CONDITIONS TO EUROTECH'S OBLIGATIONS. The obligations of the Company hereunder to exchange and deliver the certificate(s) representing the Series D Stock to Woodward at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions thereto, provided that these conditions are for Eurotech's sole benefit and may be waived by Eurotech at any time in its sole discretion:

(a) Woodward shall have executed this Agreement and delivered same to Eurotech.

(b) Woodward shall have delivered the Exchanged Stock in accordance with Section 3 above.

(c) The representations and warranties of Woodward shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and Woodward shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Woodward at or prior to the Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions

contemplated by this Agreement.

(e) Woodward shall have executed and delivered to Eurotech the Termination Agreement, which relates to that certain Pledge and Security Agreement dated December 19, 2002, between Eurotech and Woodward (the "Security Agreement"), in a form reasonably acceptable to Eurotech, and shall have additionally executed and delivered to Eurotech such forms of UCC-3 termination statements as are necessary to terminate the security interest of Woodward contemplated by the Security Agreement.

8. CONDITIONS TO WOODWARD'S OBLIGATIONS. The obligations of Woodward hereunder to exchange and deliver the certificate(s) representing the Exchanged Stock to Eurotech at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions, provided that these conditions are for Woodward's sole benefit and may be waived by Woodward at any time in its sole discretion.

(a) Eurotech shall have executed this Agreement and delivered the same to Woodward.

(b) Eurotech shall have delivered to Woodward duly executed certificate(s) representing the Series D Stock in accordance with Section 3 above.

(c) The representations and warranties of Eurotech shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at such time (except for representations and warranties that speak as of a specific date) and Eurotech shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Eurotech at

or prior to the Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

9. GOVERNING LAW; MISCELLANEOUS

(a) Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE ENFORCED, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITH SUCH

STATE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS. THE PARTIES HERETO HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES FEDERAL COURTS LOCATED IN THE CITY OF NEW YORK, NEW YORK WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT, THE AGREEMENTS ENTERED INTO IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. BOTH PARTIES IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT OR PROCEEDING. BOTH PARTIES FURTHER AGREE THAT SERVICE OF PROCESS UPON A PARTY MAILED BY FIRST CLASS MAIL SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE PARTY IN ANY SUCH SUIT OR PROCEEDING. NOTHING HEREIN SHALL AFFECT ANY PARTY'S RIGHT TO SERVE

PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. THE PARTIES AGREE THAT A FINAL NON-APPEALABLE JUDGMENT IN ANY SUCH SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER LAWFUL MANNER. THE PARTIES HEREBY WAIVE A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

(b) Jury Trial Waiver. The parties hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other in respect of any matter arising out of or in connection with the Transaction Documents.

(c) Counterparts. This Agreement may be executed in one or more counterparts and by facsimile transmission, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

(d) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(e) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement or the validity or enforceability of this Agreement

in any other jurisdiction.

(f) Entire Agreement; Amendments. This Agreement and the

instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Purchaser make any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived other than by an instrument in writing signed by the party to be charged with enforcement and no provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Purchaser.

(g) Notices. Any notices required or permitted to be given under the terms of this Agreement shall be sent by certified or registered mail (return receipt requested) or delivered personally or by courier, overnight delivery service or by confirmed facsimile transmission, and shall be effective five days after being placed in the mail, if mailed, or upon receipt or refusal of receipt, if delivered personally or by courier, overnight delivery service or confirmed telecopy, in each case addressed to a party. The addresses for such communications shall be:

If to the Company:

Eurotech, Ltd.

10306 Eaton Place, Suite 220

Fairfax, VA 22030

Attention: Don Hahnfeldt, President

Fax: 703-352-5994

with a copy (which shall not constitute notice) to:

Ellenoff, Grossman, Schole & Cyruli, LLP

370 Lexington Avenue

New York, NY 10017

Attention: Barry I. Grossman

Telecopier No.: 212-370-7889

If to Woodward:

Woodward LLC

P.O. Box 866, George Town

Anderson Square Building

Grand Cayman, Cayman Islands

Attention: Director

Telecopier No.: (345) 949-8492

with a copy (which shall not constitute notice) to:

Krieger & Prager, LLP

39 Broadway

New York, New York 10006

Telephone No.: (212) 363-2900

Each party shall provide notice to the other parties of any change in address.

(h) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor any Purchaser shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other.

(i) Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(j) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(k) Termination by Mutual Consent. This Agreement may be terminated and the

Exchange may be abandoned at any time prior to the Closing Date by mutual written consent of Eurotech and the Company, through action of their respective Boards of Directors.

11. Fees. Each party hereto agrees to assume their respective legal fees and other expenses incurred by them in connection with the negotiation, preparation, execution and implementation of this Agreement.

12. Publicity. The initial press release with respect to the Exchange shall be a joint, mutually agreed press release. Thereafter, Eurotech and the Company shall consult with each other prior to making any filings with any third party and/or any Governmental Entity (including any securities exchange) with respect thereto, except as may otherwise be required by Law or by obligations pursuant to any listing agreement with or rules of any securities exchange.

13. Further Assurances. Each party shall do and perform or cause to be done and perform, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

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

EUROTECH LTD.

By: /s/ Don V. Hahnfeldt

Name: Don V. Hahnfeldt
Title: President

WOODWARD LLC

By: /s/ David Sims

Name: David Sims, for Navigator
Management, Ltd.
Title: Director

EXHIBIT A

FORM OF CERTIFICATE OF DESIGNATIONS OF
SERIES D PREFERRED STOCK

CERTIFICATE OF DESIGNATIONS
OF RIGHTS AND PREFERENCES OF THE
SERIES D CUMULATIVE CONVERTIBLE PREFERRED STOCK
OF
MARKLAND TECHNOLOGIES, INC.

Pursuant to the authority expressly granted and vested in the Board of Directors (the "BOARD OF DIRECTORS" or the "BOARD") of MARKLAND TECHNOLOGIES, INC. (the "COMPANY") by the Florida General Corporation Law (the "CORPORATION LAW") and the provisions of the Company's Certificate of Incorporation, as amended, the Board of Directors adopted the following resolution setting forth the designations, powers, preferences and rights of its Series D Cumulative Convertible Preferred Stock (the "CERTIFICATE OF DESIGNATIONS") on _____, 2003:

RESOLVED: That the designations, powers, preferences and rights of the Series D Cumulative Convertible Preferred Stock be, and they hereby are, as set forth below:

I. DESIGNATION AND AMOUNT

The designation of this series, which consists of 20,000 shares of Preferred Stock, par value \$.0001 per share, is the Series D Cumulative Convertible Preferred Stock (the "DESIGNATED PREFERRED STOCK").

II. CERTAIN DEFINITIONS

For purposes of this Certificate of Designation, the following terms shall have the following meanings:.

A. "BUY-IN ADJUSTMENT AMOUNT" means the amount equal to the excess, if any, of (i) the Converting Holder's total purchase price (including brokerage commissions, if any) for the Covering Shares (as those terms are defined in Article IV Paragraph B(6)) over (ii) the net proceeds (after brokerage commissions, if any) received by the Converting Holder from the sale of the Sold Shares. By way of illustration and not in limitation of the foregoing, if the Converting Holder purchases shares of Common Stock having a total purchase price (including brokerage commissions) of \$11,000 to cover a Buy-In (as defined in Article IV Paragraph B(6)) with respect to shares of Common Stock it sold for net proceeds of \$10,000, the Buy-In Adjustment Amount which the Company will be required to pay to the Converting Holder will be \$1,000.

B. "CLOSING DATE" means _____, 2003.

C. "CLOSING BID PRICE" means the closing bid price during regular trading hours of the Common Stock (in U.S. Dollars) on the Principal Trading Market, as reported by the Reporting Service (as defined below).

D. "COMMON STOCK" means the Company's common stock, par value \$.0001 per share.

E. "CONVERSION CERTIFICATES" means certificates representing the shares of Common Stock issuable on conversion of the Designated Preferred Stock.

F. "CONVERSION DATE" has the meaning ascribed to it in Paragraph B of Article IV hereof.

G. "CONVERSION PRICE" means as of the Conversion Date, the variable conversion price designated as follows: (a) if the price for the Common Stock is less than or equal to \$0.25, then eighty percent (80%) of the Market Price, (b) if the price for the Common Stock is greater than \$0.25 but less than or equal to \$0.50, then seventy five percent (75%) of the Market Price, (c) if the price for the Common Stock is greater than \$0.50 but less than or equal to \$0.75, then seventy percent (70%) of the Market Price, (d) if the price for the Common Stock is greater than \$0.75, then sixty five percent (65%) of the Market Price, subject to adjustment as provided herein.

H. "HOLDER" means a person or entity holding shares of the Designated

Preferred Stock.

I. "JUNIOR SECURITIES" means (i) any class or series of capital stock of the Company authorized prior to the filing of this Certificate of Designations that, by its terms, ranks junior to the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary and (ii) all classes or series of capital stock of the Company authorized after the filing of this Certificate of Designations, unless consented to as provided herein in each instance, each of which shall rank junior to the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

J. "LIQUIDATION PREFERENCE" means, with respect to a share of Designated Preferred Stock, an amount equal to the Stated Value thereof.

K. "MARKET PRICE" means the average Closing Bid Prices during the five (5) trading days ending on the trading day immediately preceding the Conversion Date.

L. "PARI PASSU SECURITIES" means any class or series of capital stock of the Company hereafter created specifically ranking, by its terms, on parity with the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

M. "PRINCIPAL TRADING MARKET" means The NASD/OTCBB Market or if the Common Stock is no longer listed on that market, the principal securities exchange or trading market on which the Common Stock is listed or traded, including the pink sheets.

N. "REDEMPTION PRICE" means 120% of the Stated Value, plus accrued dividends during the first 180 days subsequent to the Closing Date; 125% of the Stated Value, plus accrued dividends beginning 181 days and ending 270 days subsequent to the Closing Date; 130% of the Stated Value, plus accrued dividends beginning 271 days and ending 360 days subsequent to the Closing Date; 135% of the Stated Value, plus accrued dividends thereafter.

O. "REPORTING SERVICE" means Bloomberg LP or if that service is not then reporting the relevant information regarding the Common Stock, a comparable reporting service of national reputation selected by the Holders of the Designated Preferred Stock and reasonably acceptable to the Company.

-2-

P. "SEC" means the United States Securities and Exchange Commission.

Q. "SECURITIES" means the shares of Designated Preferred Stock or the

Common Stock of the Company into which such shares are converted or convertible, as contemplated hereby.

R. "SENIOR SECURITIES" means each class or series of capital stock of the Company authorized prior to the original filing of this Certificate of Designations that, by its terms, is senior to the Designated Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary if, but only if, securities from such class or series have been issued prior to the Closing Date and such issuance was disclosed in the filings made by the Company with the SEC and available on the SEC's EDGAR system.

S. "STATED VALUE" for the Designated Preferred Stock shall be \$1,000.00 per share.

T. "TRADING DAY" means any day during which the Principal Trading Market shall be open for business.

III. DIVIDENDS

A. GENERALLY. The holders of shares of Designated Preferred Stock shall not be entitled to receive dividends on shares of Designated Preferred Stock

IV. CONVERSION

A. CONVERSION AT THE OPTION OF THE HOLDER. Each Holder of shares of Designated Preferred Stock may, at any time after the Closing Date and from time to time thereafter, convert (an "OPTIONAL CONVERSION") each of its shares of Designated Preferred Stock into a number of fully paid and nonassessable shares of Common Stock determined in accordance with the following formula:

$$\frac{\text{STATED VALUE OF SHARES TO BE CONVERTED}}{\text{APPLICABLE CONVERSION PRICE}}$$

B. MECHANICS OF CONVERSION. To effect a conversion of shares of the Designated Preferred Stock, the Holder must deliver or fax a Notice of Conversion in the form attached hereto as Exhibit A ("NOTICE OF CONVERSION") to the Company (to the attention of the President or such other officer as may be identified by notice given by the Company to the Holder from time to time) as provided in this Paragraph. The Notice of Conversion shall be executed by the Holder of one or more shares of Designated Preferred Stock and shall evidence such Holder's intention to convert all or a portion of such shares. The date of conversion (the "CONVERSION DATE") shall be deemed to be the date on which the Holder faxes or otherwise delivers a Notice of Conversion to the Company.

1. DELIVERY OF COMMON STOCK UPON CONVERSION. The Conversion Certificates will be delivered to the Converting Holder at the address specified in the Notice of Conversion, via express courier, by

electronic transfer or otherwise, within five (5) business days (such fifth business day, a "DELIVERY DATE") after the date on which the Notice of Conversion is delivered to the Company as contemplated in this Paragraph.

2. TAXES. The Company shall pay any and all taxes which may be imposed upon the Company with respect to the issuance and delivery of the shares of Common Stock upon the conversion of the Designated Preferred Stock other than transfer taxes due upon conversion, if such Holder has transferred to another party the Designated Preferred Stock or the right to receive Common Stock upon the Holder's conversion thereof or any or income taxes due on the part of the Holder. The Company shall have the right to withhold any taxes as required by the United States federal or state tax laws.

3. NO FRACTIONAL SHARES. If any conversion of Designated Preferred Stock would result in the issuance of a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon conversion of the Designated Preferred Stock shall be rounded up or down to the nearest whole share, it being understood that .5 of one share shall be rounded up to the next highest share.

4. CONVERSION DISPUTES. In the case of any dispute with respect to a conversion, the Company shall promptly issue such number of shares of Common Stock as are not disputed in accordance with Paragraph A of this Article IV. If such dispute involves the calculation of the Conversion Price, the Company shall first discuss such discrepancy with the Converting Holder. If the Company and the Converting Holder are unable to agree upon the Conversion Price calculation, the Company shall promptly submit the disputed calculations to independent auditors to be selected by the Holder (unless the Holders and the Company mutually agree to a different firm). The auditors, at the expense of the party or parties in error (as determined by the auditors), shall audit the calculations and notify the Company and the Holder of the results within five (5) business days following the date it receives the disputed calculations. The auditor's calculation shall be deemed conclusive, absent manifest error. The Company shall then issue the appropriate number of shares of Common Stock in accordance with Paragraph A of Article IV above.

5. DELAY IN DELIVERING CONVERSION CERTIFICATES. The Company understands that a delay in the delivery of the Conversion Certificates beyond the Delivery Date could result in economic loss to a Holder. As compensation to a Holder for such loss, the Company agrees if there is a delay in the delivery of the Conversion Certificates (as adjusted in accordance with this provision) so that such Conversion Certificates

are not received within five (5) business days after the Delivery Date, to pay late payments to such Holder for late delivery of Conversion Certificates in accordance with the following schedule (where "No. Business Days Late" is defined as the number of business days beyond five (5) business days after the Delivery Date):

-4-

No. Business Days Late	Late Payment For Each \$10,000 of Stated Value Being Converted
-----	-----
1	\$100
2	\$200
3	\$300
4	\$400
5	\$500
6	\$600
7	\$700
8	\$800
9	\$900
10	\$1,000
>10	\$1,000 +\$200 for each Business Day Late beyond 10 days

The Company shall pay any payments incurred under this Paragraph in immediately available funds upon demand. Nothing herein shall limit the Holder's right to pursue actual damages for the Company's failure to issue and deliver the Conversion Certificates to the Holder within a reasonable time. Furthermore, in addition to any other remedies which may be available to a Holder, in the event that the Company fails for any reason to effect delivery of such Conversion Certificates within five (5) business days after the Delivery Date, the Converting Holder will be entitled to revoke the relevant Notice of Conversion by delivering a notice to such effect to the Company whereupon the Company and the Converting Holder shall each be restored to their respective positions immediately prior to delivery of such Notice of Conversion; provided, however, that any payments contemplated by this Paragraph B(5) of this Article IV which have accrued through the date of such revocation notice shall remain due and owing to the Converting Holder notwithstanding such revocation.

6. BUY-IN. If, by the relevant Delivery Date, the Company fails for any reason to deliver the Conversion Certificates and after such Delivery Date, the Holder of the Designated Preferred Stock being converted (a "CONVERTING HOLDER") purchases, in an arm's-length open market transaction or otherwise, shares of Common Stock (the "COVERING SHARES") in order to make delivery in satisfaction of a sale of Common

Stock by the Converting Holder (the "SOLD SHARES"), which delivery such Converting Holder anticipated to make using the shares to be issued upon such conversion (a "BUY-IN"), the Converting Holder shall have the right to require the Company to pay to the Converting Holder, in addition to and not in lieu of the amounts due under Paragraph B(5) of Article IV hereof (and in addition to all other amounts contemplated in other provisions of the other agreements between the Company and the Holder, and not in lieu of any such other amounts), the Buy-In Adjustment Amount. The Company shall pay the Buy-In Adjustment Amount to the Converting Holder in immediately available funds immediately upon demand by the Converting Holder.

-5-

7. DWAC CERTIFICATE DELIVERY. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Company's transfer agent is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer program, upon request of a Converting Holder and his/her compliance with the provisions contained in this paragraph, so long as the certificates therefor do not bear a legend and the Converting Holder thereof is not obligated to return such certificate for the placement of a legend thereon, the Company shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Converting Holder by crediting the account of Converting Holder's prime broker with DTC through its Deposit Withdrawal Agent Commission system.

8. CONVERSION OBLIGATIONS AND DEFAULT. If, at any time the Company challenges, disputes or denies the right of a Holder of Designated Preferred Stock to effect a conversion of the Designated Preferred Stock into Common Stock or otherwise dishonors or rejects any Notice of Conversion delivered in accordance with the terms of this Certificate of Designations (subject to the provisions of Paragraph B(4) of this Article IV with respect to certain disputes relating to calculations of the number of shares to be issued), then such Holder shall have the right, by written notice to the Company, to require the Company to redeem each share of Designated Preferred Stock for which a Notice of Conversion has been refused pursuant to this Paragraph B(8) for cash, at an amount per share equal to the Holder Redemption Price.

9. CONVERSION IN BANKRUPTCY. The Holder of any Designated Preferred Stock shall be entitled to exercise its conversion privilege with respect to the Designated Preferred Stock notwithstanding the commencement of any case under 11 U.S.C. ss.101 ET SEQ. (the "BANKRUPTCY CODE"). In the event the Company is a debtor under the Bankruptcy Code, the Company hereby waives, to the fullest extent permitted, any rights to relief it may have under 11 U.S.C. ss.362 in

respect of such Holder's right to convert the Designated Preferred Stock. The Company agrees, without cost or expense to such Holder, to take or to consent to any and all action necessary to effectuate relief under 11 U.S.C. ss.362.

V. RESERVATION OF SHARES OF COMMON STOCK

A. RESERVED AMOUNT. Upon the initial issuance of the shares of Designated Preferred Stock, the Company shall reserve, out of the authorized but unissued shares of Common Stock, 50,000,000 shares of Common Stock (the "RESERVED AMOUNT"; subject to adjustment as provided below) for issuance upon conversion of the Designated Preferred Stock. Thereafter the number of authorized but unissued shares of Common Stock so reserved shall cover at least a number of shares equal to the sum of two hundred percent (200%) of (A) the

-6-

number of shares of Common Stock as would then be issuable upon a conversion in full of the then outstanding Designated Preferred Stock, and (B) the number of shares of Common Stock as would be issuable as payment of dividends on the Designated Preferred Stock. The Reserved Amount shall be adjusted as and when the Conversion Price is adjusted pursuant to Article VIII hereof. The Reserved Amount shall be allocated to the holders of Designated Preferred Stock as provided in Article XI Paragraph D.

VI. REDEMPTION

A. REDEMPTION BY THE COMPANY.

1. Notwithstanding any other provision hereof to the contrary, at any time the Company shall have the right to redeem all or any portion of the then outstanding principal amount of the Designated Preferred Stock then held by the Holder (a "COMPANY REDEMPTION") in cash for an amount (the "COMPANY REDEMPTION AMOUNT") equal to Redemption Price.

2. If the Company elects to make a Company Redemption, the Company shall give written notice of such redemption to the Holder (the "COMPANY NOTICE OF REDEMPTION"). The date on which the Company shall pay the Company Redemption Amount (the "COMPANY REDEMPTION PAYMENT DATE") shall be no fewer than five (5) business days and no later than ten (10) business days after the Company Notice of Redemption is given by the Company.

3. Upon receipt of the Company Notice of Redemption, the Holder's right to effect a Conversion with respect to shares of Designated Preferred Stock being specified as being redeemed in such Company Notice of Redemption shall continue at the until the Company Redemption Payment Date.

4. Restriction on Redemption. The Company shall not be entitled to send

Company Notice of Redemption under Section (2) hereof unless it has:

- A.
- (i) The full amount of the applicable Redemption Price in cash or cash equivalents, available in a demand or other immediately available account in one or more banks or similar financial institutions;
 - (ii) Immediately available credit facilities in the full amount of the applicable Redemption Price with one or more banks or similar financial institutions;
 - (iii) An agreement with a standby underwriter willing to purchase from the Company a sufficient number of shares of stock to provide proceeds equal to the applicable Redemption Price; or
 - (iv) A combination of the items set forth in (i), (ii) and (iii) above, aggregating the full amount of the applicable Redemption Price.

B. Certified to the Holder, in writing, that it is not aware of the existence or imminent existence or likelihood of any event described in Article VIII. A.

5. At the election of the Holder at any time prior to the date on which the Company pays the Company Redemption Amount to the Holder, the Holder shall have the right to convert the Designated Preferred Stock as if such Company Notice of Redemption had never been given.

-7-

VII. LIQUIDATION PREFERENCE

A. LIQUIDATION, DISSOLUTION, WINDING UP OR CERTAIN MERGERS OR CONSOLIDATIONS. If the Company shall adopt a plan of liquidation or of dissolution, or commence a voluntary case under the federal bankruptcy laws or any other applicable state or federal bankruptcy, insolvency or similar law, or consent to the entry of an order for relief in any involuntary case under such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Company or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due and on account of such event the Company shall liquidate, dissolve or wind up, or if the Company shall otherwise liquidate, dissolve or wind up, including but not limited to the sale or transfer of all or substantially all of the Company's assets in one transaction or in a series of related transactions (a "Liquidation Event"), then and in that event, no distribution shall be made to the holders of Junior Securities, unless, prior thereto, the holders of the Designated Preferred Stock shall have first received an amount in cash or equivalent value in securities or other consideration equal to the Liquidation

Preference thereof. If upon any liquidation, dissolution, winding up, merger, plan of reorganization or consolidation, the amount so payable or distributable does not equal or exceed the Liquidation Preference of the Designated Preferred Stock, then, and in that event, the amount of cash so payable, and amount of securities or other consideration so distributable, shall be shared ratably among the holders of the Designated Preferred Stock.

VIII. ADJUSTMENTS TO PRICES

A. SALE. The Conversion Price shall be subject to adjustment from time to time as follows: If, for as long as any shares of Designated Preferred Stock remain outstanding, the Company enters into a merger (other than where the Company is the surviving entity) or consolidation with, or acquisition by, another corporation or other entity or a sale or transfer of all or substantially all of the assets of the Company to another person, or there is an outstanding tender offer for the Common Stock of the Company or the Company enters into a transaction that could result in a change in control of the Company (collectively, a "SALE"), the Company will require, in the agreements reflecting such transaction, that the surviving entity expressly assume the obligations of the Company hereunder. Notwithstanding the foregoing, if the Company enters into a Sale and the holders of the Common Stock are entitled to receive stock, securities or property in respect of or in exchange for Common Stock, then as a condition of such Sale, the Company and any such successor, purchaser or transferee will agree that the Designated Preferred Stock may thereafter be converted on the terms and subject to the conditions set forth above into the kind and amount of stock, securities or property receivable upon such merger, acquisition, consolidation, sale or transfer by a Holder of the number of shares of Common Stock into which then outstanding shares of Designated Preferred Stock might have been, pursuant to this Certificate, converted immediately before such merger, acquisition, consolidation, sale or transfer at the Conversion Price, subject to any adjustments which shall be as nearly equivalent as may be practicable. In the event of any such proposed Sale, the Holder hereof shall have the right to either (i) convert all of any of the outstanding Designated Preferred Stock by delivering a Notice of Conversion to the Company at the Conversion Price within 15 days of receipt of notice of such Sale from the Company or (ii) if the surviving entity in the transaction is not a publicly traded entity listed on a Principal Trading Market, demand a redemption of all or any of the outstanding Designated Preferred Stock at the Redemption Price by delivering a notice to such effect to the Company within fifteen (15) days of receipt of notice of such Sale from the Company.

-8-

B. SPIN OFF. If, at any time prior to the Conversion Date or the date of payment of the Company Redemption Amount hereunder, the Company consummates a spin off or otherwise divest itself of a part of its business or operations or disposes all or of a part of its assets in a transaction (the "SPIN OFF") in which the Company does not receive just compensation for such

business, operations or assets, but causes securities of another entity (the "SPIN OFF SECURITIES") to be issued to security holders of the Company, then the Company shall cause (i) to be reserved Spin Off Securities equal to the number thereof which would have been issued to the Holder had all of the holder's shares of Designated Preferred Stock outstanding on the record date (the "RECORD DATE") for determining the amount and number of Spin Off Securities to be issued to security holders of the Company (the "OUTSTANDING DESIGNATED PREFERRED STOCK") been converted as of the close of business on the trading day immediately before the Record Date (the "RESERVED SPIN OFF SHARES"), and (ii) to be issued to the Holder on the conversion of all or any of the outstanding Designated Preferred Stock, such amount of the Reserved Spin Off Shares equal to (x) the Reserved Spin Off Shares multiplied by (y) a fraction, of which (a) the numerator is the principal amount of the outstanding Designated Preferred Stock then being converted, and (b) the denominator is the principal amount of the outstanding Designated Preferred Stock.

C. STOCK SPLITS, ETC. If, at any time while any shares of Designated Preferred Stock remain outstanding, the Company effectuates a stock split or reverse stock split of its Common Stock or issues a dividend on its Common Stock consisting of shares of Common Stock, the Conversion Price shall be equitably adjusted to reflect such action. By way of illustration, and not in limitation, of the foregoing (i) if the Company effectuates a 2:1 split of its Common Stock, the Conversion Price shall be deemed to be one-half of what it had been calculated to be immediately prior to such split; (ii) if the Company effectuates a 1:10 reverse split of its Common Stock, thereafter, with respect to any conversion for which the Company issues the shares after the record date of such reverse split, the Conversion Price shall be deemed to be ten times what it had been calculated to be immediately prior to such split; and (iii) if the Company declares a stock dividend of one share of Common Stock for every 10 shares outstanding, thereafter the Conversion Price shall be deemed to be the amount it had been calculated to be immediately prior to such dividend multiplied by a fraction, of which (x) the numerator is the number of shares (10 in the example) for which a dividend share will be issued and (y) the denominator is such number of shares plus the dividend share(s) issuable or issued thereon (11 in the example).

D. NOTICE OF ADJUSTMENTS. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Article VIII, the Company, at its expense, shall promptly compute such adjustment or readjustment and prepare and furnish to each Holder of Designated Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any Holder of Designated Preferred Stock, furnish to such Holder a like certificate setting forth (i) such adjustment or readjustment, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of a share of Designated Preferred Stock.

IX. VOTING RIGHTS

A. GENERALLY. The holders of the Designated Preferred Stock shall not be entitled to vote with the holders of Common Stock, except as otherwise provided by the Florida Corporation Law or otherwise contemplated by this Certificate of Designations. To the extent that either Florida Corporation Law or the Company's Articles of Incorporation allows or requires the vote of the holders of the Designated Preferred Stock, voting separately as a class or series, as applicable, to authorize a given action of the Company, the affirmative vote or consent of the holders of 67% of the outstanding shares of Designated Preferred Stock shall constitute the approval of such action by the class.

X. CONVERSION RESTRICTIONS

A. CERTAIN CONVERSION RESTRICTIONS. Notwithstanding anything to the contrary contained herein other than a conversion pursuant to Paragraphs A or B of Article VIII, the number of shares of Common Stock that may be acquired by a Holder upon any conversion of Designated Preferred Stock (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with such Holder's for purposes of Section 13(d) of the Exchange Act, does not exceed 9.999% of the total number of issued and outstanding shares of Common Stock. For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. Each delivery of a Conversion Notice hereunder will constitute a representation by the applicable Holder that it has evaluated the limitation set forth in this section and determined that issuance of the full number of Underlying Shares requested in such Conversion Notice is permitted. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a merger or other business combination or reclassification involving the Company as contemplated in Article VIII herein.

XI. MISCELLANEOUS

A. RANK. The Designated Preferred Stock shall rank (i) prior to the Company's Common Stock; (ii) prior to any Junior Securities; (iii) junior to any Senior Securities; and (iv) PARI PASSU with any Pari Passu Securities; PROVIDED, HOWEVER, that no additional Senior Securities or Pari Passu Securities shall be created without the written consent of two thirds of the holders of the outstanding Designated Preferred Stock.

B. CANCELLATION OF DESIGNATED PREFERRED STOCK. If any shares of Designated Preferred Stock are converted or redeemed pursuant to this Certificate of Designations, the shares so converted shall be canceled, shall return to the status of authorized, but unissued preferred stock of no designated series, and shall not be issuable by the Company as Designated Preferred Stock.

C. LOST OR STOLEN CERTIFICATES. Upon receipt by the Company of (i) evidence of the loss, theft, destruction or mutilation of any Designated Preferred Stock certificate(s) and (ii) (y) in the case of loss, theft or destruction, of indemnity (without any bond or other security) reasonably satisfactory to the Company, or (z) in the case of mutilation, upon surrender and cancellation of the Designated Preferred Stock certificate(s), the Company shall execute and deliver new Designated Preferred Stock certificate(s) of like tenor and date. However, the Company shall not be obligated to reissue such lost or stolen Designated Preferred Stock certificate(s) if the Holder contemporaneously requests the Company to convert such Designated Preferred Stock.

D. ALLOCATION OF RESERVED AMOUNT. The Reserved Amount shall be allocated pro rata among the holders of Designated Preferred Stock based on the number of shares of Designated Preferred Stock issued to each Holder. Each increase to the Reserved Amount shall be allocated pro rata among the holders of Designated Preferred Stock based on the number of shares of Designated Preferred Stock held by each Holder at the time of the increase in the Reserved Amount. In the event a Holder shall sell or otherwise transfer any of such holder's shares of Designated Preferred Stock, each transferee shall be allocated a pro rata portion of such transferor's Reserved Amount. Any portion of the Reserved Amount which remains allocated to any person or entity which does not hold any Designated Preferred Stock shall be allocated to the remaining holders of shares of Designated Preferred Stock, pro rata based on the number of shares of Designated Preferred Stock then held by such holders.

E. PAYMENT OF CASH; DEFAULTS. Whenever the Company is required to make any cash payment to a Holder under this Certificate of Designations (upon redemption or otherwise), such cash payment shall be made to the Holder in good funds on the date specified herein or, if not so specified, within five (5) business days after delivery by such Holder of a notice specifying that the Holder elects to receive such payment in cash and the method (E.G., by check, wire transfer) in which such payment should be made. If such payment is not delivered within the relevant time period, such Holder shall thereafter be entitled to interest on the unpaid amount at a per annum rate equal to the lower of 15% and the highest interest rate permitted by applicable law until such amount is paid in full to the Holder.

F. STATUS AS STOCKHOLDER. Upon submission of a Notice of Conversion by a Holder of Designated Preferred Stock, (i) the shares covered thereby (other

than the shares, if any, which cannot be issued because their listing or issuance would exceed any applicable legal or regulatory limitation) shall be deemed converted into shares of Common Stock and (ii) the holder's rights as a Holder of such converted shares of Designated Preferred Stock shall cease and terminate, excepting only the right to receive certificates for such shares of Common Stock and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Company to comply with the terms of this Certificate of Designations.

-11-

G. JURY TRIAL WAIVER. The Company and, by its acceptance of the shares of the Designated Preferred Stock, the Holder hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the Parties hereto against the other in respect of any matter arising out or in connection with this Certificate of Designations.

H. AMENDMENTS. This Certificate of Designations may only be amended with the written consent of the holders of sixty-seven (67%) percent of the outstanding Designated Preferred Stock and the vote or action of any other party or class entitled to vote or act thereon.

MARKLAND TECHNOLOGIES, INC.

By:

Authorized Officer

-12-

EXHIBIT A

MARKLAND TECHNOLOGIES, INC.

NOTICE OF CONVERSION

(To be Executed by the Registered Holder
in order to Convert the Series D Cumulative Convertible Preferred Stock)

TO: MARKLAND TECHNOLOGIES, INC. VIA TELECOPIER ()

Attn:

FROM: _____ ("Holder")

DATE: _____ "Conversion Date")

RE: Conversion of \$_____ Stated Value (the "Converted Preferred Stock") of the SERIES D Cumulative Convertible Preferred Stock (the "Designated Preferred Stock") of MARKLAND TECHNOLOGIES, INC. (the "Company") into _____ shares (the "Conversion Shares") of Common Stock (defined below)

The captioned Holder hereby gives notice to the Company, pursuant to the Certificate of Designations (the "Certificate of Designations") for the Designated Preferred Stock of the Company that the Holder elects to convert the Converted Preferred Stock into fully paid and non-assessable shares of Common Stock, par value \$.0001 per share (the "Common Stock"), of the Company as of the Conversion Date specified above. Said conversion shall be based on the following Conversion Price (CHECK ONE):

\$_____; or

Other \$_____, based on adjustment(s) contemplated by the Certificate of Designations

Based on this Conversion Price, the number of Conversion Shares indicated above should be issued in the following name(s):

Name and Record Address

Conversion Shares

(Print name of Holder)

By:

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (this "Agreement") made as of this 27th day of March, 2003, by and between WOODWARD LLC, an entity organized and existing under the laws of the Cayman Islands ("WOODWARD") and EUROTECH, LTD., a District of Columbia corporation ("EUROTECH" or the "COMPANY"), and

When used in this Agreement, the following terms shall have the specified definitions, unless the context otherwise requires:

"SERIES G STOCK" shall mean the Series G Preferred Stock of Homecom Communications, Inc. ("HOMECOM"), \$.0001 par value.

"COMMON STOCK" shall mean the Common Stock of Eurotech, \$.00025 par value.

R E C I T A L S

A. Woodward is the owner and holder of the right to have issued to it 10,000,000 shares of Common Stock, free and clear of all liens and encumbrances (the "Exchanged Stock").

C. Eurotech wishes to acquire the Exchanged Stock from Woodward for the purpose of retiring such shares, in exchange for 1,069 shares of the Series G Stock, and Woodward and Eurotech desire to effect such exchange (such transaction, the "EXCHANGE"), in each case on the terms set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual agreement contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. EXCHANGE. In consideration of the mutual benefits to be gained by the parties hereto pursuant to the Exchange, at the Closing (as defined below), Woodward agrees to exchange with Eurotech, and Eurotech agrees to exchange with Woodward, respectively, the Exchanged Stock for the Series G Stock.

2. CLOSING DATE. Subject to the satisfaction (or waiver) of the conditions thereto set forth in Section 7 and Section 8 below, the date of the closing of the Exchange pursuant to this Agreement (the "CLOSING DATE") shall be on April 15, 2003 or such other mutually agreed upon time. The closing of the transactions contemplated by this Agreement (the "CLOSING") shall occur on the Closing Date at the offices of Krieger & Prager, 39 Broadway, Suite 1440,

New York, New York or at such other location as may be agreed to by the parties.

3. MUTUAL DELIVERIES. Upon the delivery by Woodward of the release and surrender of its rights to receive the Exchange Stock, Eurotech shall deliver to Woodward the Series G Stock, registered in the name of Woodward or its designee, bearing substantially the following legend:

THE SECURITIES REPRESENTED HEREBY (THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED.

4. REPRESENTATIONS AND WARRANTIES OF EUROTECH. EUROTECH represents and warrants to Woodward that:

(a) The Company has the corporate power and authority to enter into this

2

Agreement, and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and constitute a valid and binding obligations of the Company enforceable against it in accordance with its terms, subject to the effects of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the application of equitable principles in any proceeding (legal or equitable).

(b) There is no pending, or to the knowledge of the Company, threatened, judicial, administrative or arbitral action, claim, suit, proceeding or investigation which might affect the validity or enforceability of this Agreement or which involves the Company and which if adversely determined, could reasonably be expected to have a material adverse effect on the Company.

(c) Except for filings required by any applicable securities laws, no consent or approval of, or exemption by, or filing with, any party or governmental or public body or authority is required in connection with the execution, delivery and performance of the Company under this Agreement or the taking of any action contemplated hereunder.

(d) The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions

contemplated hereby, will not (i) conflict with or result in a violation of any provision of its certificate of incorporation, bylaws or other organizational documents, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration, modification

3

or cancellation of, any contract, agreement, note, bond, indenture or other instrument to which the Company is a party or under which the Company, its assets or its capital stock is or may be effected, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations) applicable to the Company or by which any property of the Company, including, without limitation, the Series G Stock, will be bound or affected. Except as specifically contemplated by this Agreement and as required under the Securities Act of 1933, as amended (the "SECURITIES ACT"), and any applicable federal and state securities laws, Eurotech is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under this Agreement in accordance with the terms hereof. Except for filings that may be required under applicable federal and state securities laws, all consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(e) Eurotech is the owner of good and marketable title to the shares of Series G Stock held by it , free and clear of all liens, pledges, encumbrances or other stop transfer orders (except as may be required by the applicable securities laws).

(f) Annexed hereto as Exhibit A is a true and complete copy of the Certificate of Designations of the Series G Stock as filed with the Secretary of State of the State of Delaware on or prior to the Closing Date.

5. REPRESENTATIONS AND WARRANTIES OF WOODWARD. Woodward hereby represents and warrants to the Company that:

4

(a) Woodward has the corporate power and authority to enter

into this Agreement and to perform its obligations hereunder. The execution and delivery by Woodward of this Agreement, and the consummation by Woodward of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of the Woodward. This Agreement has been duly executed and delivered by Woodward and constitute valid and binding obligations of Woodward, enforceable against it in accordance with their respective terms, subject to the effects of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to the application of equitable principles in any proceeding (legal or equitable).

(b) There is no pending, or to the knowledge of Woodward, threatened, judicial, administrative or arbitral action, claim, suit, proceeding or investigation which might affect the validity or enforceability of this Agreement or which involves Woodward, and which if adversely determined, could reasonably be expected to have a material adverse effect on Woodward.

(c) No consent or approval of, or exemption by, or filing with, any party or governmental or public body or authority is required in connection with the execution, delivery and performance by Woodward under this Agreement or the taking of any action contemplated hereunder.

(d) The execution, delivery and performance of this Agreement by Woodward and the consummation by Woodward of the transactions contemplated hereby, will not (i) conflict with or result in a violation of any provision of its certificate of incorporation, bylaws or other organizational documents, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a

default) under, or give to others any rights of termination, amendment, acceleration, modification or cancellation of, any contract, agreement, note, bond, indenture or other instrument to which Woodward is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations) applicable to Woodward or by which any property of Woodward are bound or affected. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable federal and state securities laws, Woodward is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under this Agreement in accordance with the terms hereof. Except for filings that may be required under applicable federal and state securities laws in connection with the exchange of the Exchanged Stock, all consents, authorizations, orders, filings and registrations which Woodward is

required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(e) Woodward is a sophisticated investor (as described in Rule 506(b)(2)(ii) of Regulation D) and an accredited investor (as defined in Rule 501 of Regulation D), and Woodward has such experience in business and financial matters that it is capable of evaluating the merits and risks of an investment in the Series G Stock. Woodward acknowledges that an investment in the Series G Stock is speculative and involves a high degree of risk.

(f) Woodward has received all documents, records, books and other information pertaining to Woodward's acquisition of the Series G Stock pursuant to the Exchange that have been requested by Woodward.

6

(g) Eurotech has made available to Woodward, through electronic filings on EDGAR, each registration statement, report, proxy statement or information statement prepared by Homecom since December 31, 2001, including its Annual Report on Form 10-KSB for the years ended December 31, 2001 and its Quarterly Reports on Form 10-QSB for the quarters ended since March 29, 2002, in the form (including exhibits, annexes and any amendments thereto) filed with the Securities and Exchange Commission ("SEC") subsequent to the Agreement Date, its "REPORTS").

(h) Woodward understands that (i) the sale or resale of the shares of Series G Stock has not been and is not being registered under the Securities Act or any applicable state securities laws, and the Series G Stock may not be transferred unless (a) the Series G Stock are sold pursuant to an effective registration statement under the Securities Act, (b) the Series G Stock are sold or transferred pursuant to an exemption from such registration, (c) the Series G Stock are sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the Securities Act (or a successor rule) ("RULE 144")) who agrees to sell or otherwise transfer the Series G Stock only in accordance with this section and who is an "accredited investor" (as defined under the Securities Act), or (d) the shares of Series G Stock are sold pursuant to Rule 144, if such rule is available; (ii) any sale of such shares of Series G Stock made in reliance on Rule 144 may be made only in accordance with the terms of said rule and further, if said rule is not applicable, any resale of such shares of Series G Stock under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation

7

to comply with the terms and conditions of any exemption under the Securities Act. As used in this paragraph (g), Series G Stock includes the shares of Common Stock issuable upon conversion of the Series G Stock.

(i) Woodward is the owner of good and marketable title to the Exchanged Stock, free and clear of all liens, pledges, and encumbrances.

6. Nothing contained herein shall in any way otherwise limit Woodward's right to sell or transfer the common stock of HomeCom to be delivered to Woodward upon conversion of the Series G Stock.

7. CONDITIONS TO EUROTECH'S OBLIGATIONS. The obligations of the Company hereunder to exchange and deliver the certificate(s) representing the Homecom Series G Stock to Woodward at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions thereto, provided that these conditions are for Eurotech's sole benefit and may be waived by Eurotech at any time in its sole discretion:

(a) Woodward shall have executed this Agreement and delivered same to Eurotech.

(b) Woodward shall have delivered the a release of its rights to receive the Exchanged Stock in accordance with Section 3 above.

(c) The representations and warranties of Woodward shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and Woodward shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Woodward

at or prior to the Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

8. CONDITIONS TO WOODWARD'S OBLIGATIONS. The obligations of Woodward hereunder to exchange and deliver the certificate(s) representing the Exchanged Stock to Eurotech at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions, provided that these conditions are for Woodward's sole benefit and may be waived by Woodward at any time in its sole discretion.

(a) Eurotech shall have executed this Agreement and delivered the same to Woodward.

(b) Eurotech shall have delivered to Woodward duly executed certificate(s) representing the Series G Stock in accordance with Section 3 above.

(c) The representations and warranties of Eurotech shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at such time (except for representations and warranties that speak as of a specific date) and Eurotech shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Eurotech at or prior to the Closing Date.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or

9

injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

9. GOVERNING LAW; MISCELLANEOUS

(a) Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE ENFORCED, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITH SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS. THE PARTIES HERETO HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES FEDERAL COURTS LOCATED IN THE CITY OF NEW YORK, NEW YORK WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT, THE AGREEMENTS ENTERED INTO IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. BOTH PARTIES IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT OR PROCEEDING. BOTH PARTIES FURTHER AGREE THAT SERVICE OF PROCESS UPON A PARTY MAILED BY FIRST CLASS MAIL SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE PARTY IN ANY SUCH SUIT OR PROCEEDING. NOTHING HEREIN SHALL AFFECT ANY

PARTY'S RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. THE PARTIES AGREE THAT A FINAL NON-APPEALABLE JUDGMENT IN ANY SUCH SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON

10

SUCH JUDGMENT OR IN ANY OTHER LAWFUL MANNER. THE PARTIES HEREBY WAIVE A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

(b) Jury Trial Waiver. The parties hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other in respect of any matter arising out of or in connection with the Transaction Documents.

(c) Counterparts. This Agreement may be executed in one or more counterparts and by facsimile transmission, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

(d) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(e) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement or the validity or enforceability of this Agreement in any other jurisdiction.

(f) Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the

11

Purchaser make any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived other than by an instrument in writing signed by the party to be charged with enforcement

and no provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Purchaser.

(g) Notices. Any notices required or permitted to be given under the terms of this Agreement shall be sent by certified or registered mail (return receipt requested) or delivered personally or by courier, overnight delivery service or by confirmed facsimile transmission, and shall be effective five days after being placed in the mail, if mailed, or upon receipt or refusal of receipt, if delivered personally or by courier, overnight delivery service or confirmed telecopy, in each case addressed to a party. The addresses for such communications shall be:

If to the Company:
Eurotech, Ltd.
10306 Eaton Place, Suite 220
Fairfax, VA 22030
Attention: Don Hahnfeldt, President
Fax: 703-352-5994

with a copy (which shall not constitute notice) to:

Ellenoff, Grossman Schole & Cyruli, LLP
370 Lexington Avenue
New York, NY 10017
Attention: Barry I. Grossman
Telecopier No.: 212-370-7889

If to Woodward:

Woodward LLC
P.O. Box 866, George Town
Anderson Square Building
Grand Cayman, Cayman Islands

12

Attention: Director
Facsimile No.: (345) 949-8492

with a copy (which shall not constitute notice) to:

Krieger & Prager, LLP
39 Broadway
New York, New York 10006
Telephone No.: (212) 363-2900
Telecopier No.: (212) 363-2999

Each party shall provide notice to the other parties of any change in address.

(h) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor any Purchaser shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other.

(i) Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(j) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(k) Termination by Mutual Consent. This Agreement may be terminated and the Exchange may be abandoned at any time prior to the Closing Date by mutual written consent of Eurotech and the Company, through action of their respective Boards of Directors.

11. Fees. Each party hereto agrees to assume their respective legal fees and other expenses incurred by them in connection with the negotiation, preparation, execution and

13

implementation of this Agreement.

12. Publicity. The initial press release with respect to the Exchange shall be a joint, mutually agreed press release. Thereafter, Eurotech and the Company shall consult with each other prior to issuing any press releases or otherwise making public announcements with respect to the Exchange and prior to making any filings with any third party and/or any governmental entity (including any securities exchange) with respect thereto, except as may be required by Law or by obligations pursuant to any listing agreement with or rules of any securities exchange.

13. Further Assurances. Each party shall do and perform or cause to be done and perform, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

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

EUROTECH LTD.

By: /s/ Don V. Hahnfeldt

Name: DonV. Hahnfeldt
Title: President

WOODWARD LLC

By: /s/ David Sims

Name: David Sims, for Navigator
Management, Ltd.
Title: Director

EXHIBIT A

FORM OF CERTIFICATE OF DESIGNATIONS OF
SERIES G PREFERRED STOCK

CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF
SERIES G CONVERTIBLE PREFERRED STOCK
OF
HOMECOM COMMUNICATIONS, INC.

HomeCom Communications, Inc. (the "Company"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify that, pursuant to authority conferred upon the Board of Directors of the Company by the Certificate of Incorporation of the Company, and pursuant to Section 151 of the General Corporation Law of the State of Delaware, the Board of Directors of the Company at a meeting duly held, adopted resolutions (i) authorizing a series of the Company's authorized preferred stock, \$.01 par value per share, and (ii) providing for the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of 1,069 shares of Series G Convertible Preferred Stock of the Company, as follows:

RESOLVED, that the Company is authorized to issue 1,069 shares of Series G Convertible Preferred Stock (the "Series G Preferred Shares"), \$.01 par value per share, which shall have the following powers, designations, preferences and other special rights:

(1) DIVIDENDS. The Series G Preferred Shares shall not bear any dividends except as provided herein.

(2) HOLDER'S CONVERSION OF SERIES G PREFERRED SHARES. A holder of Series G Preferred Shares shall have the right, at such holder's option, to convert the Series G Preferred Shares into shares of the Company's common stock, \$.0001 par value per share (the "Common Stock"), on the following terms and conditions:

(a) CONVERSION RIGHT. Subject to the provisions of Section 3(a) below, at any time or times upon the earlier to occur of (i) a date on or after 120 days after the Issuance Date (as defined herein) or (ii) the date that the U.S. Securities & Exchange Commission declares the Company's Registration Statement with respect to the Series G Preferred Shares (the "Effective Date"), any holder of Series G Preferred Shares shall be entitled to convert any Series G Preferred Shares into fully paid and nonassessable shares (rounded to the nearest whole share in accordance with Section 2(h) below) of Common Stock, at the Conversion Rate (as defined below); PROVIDED, HOWEVER, that in no event other than upon a Mandatory Conversion pursuant to Section 2(f) hereof, shall any holder be entitled to convert Series G Preferred Shares in excess of that

number of Series G Preferred Shares which, upon giving effect to such conversion, would cause the aggregate number of shares of Common Stock beneficially owned by the holder and its affiliates to exceed 9.9% of the outstanding shares of the Common Stock following such conversion. For purposes of the foregoing proviso, the aggregate number of shares of Common Stock beneficially owned by the holder and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Series G Preferred Shares with respect to which the determination of such proviso is being made, but shall exclude the number of shares of Common Stock which would be issuable upon conversion of the remaining, nonconverted Series G Preferred Shares beneficially owned by the holder and its affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended.

(b) CONVERSION RATE. The number of shares of Common Stock issuable upon conversion of each of the Series G Preferred Shares pursuant to Section (2)(a) shall be determined according to the following formula (the "Conversion Rate");

CONVERSION PRICE

For purposes of this Certificate of Designations, the following terms shall have the following meanings:

(i) "CONVERSION PRICE" means, as of any Conversion Date (as defined below), the amount obtained by multiplying the Conversion Percentage by the Average Market Price for the Common Stock for the five (5) Trading Days immediately preceding such date;

(ii) "CONVERSION PERCENTAGE" means 82.5%;

(iii) "AVERAGE MARKET PRICE" means, with respect to any security for any period, that price which shall be computed as the arithmetic average of the Closing Bid Prices (as defined below) for such security for each trading day in such period;

(iv) "CLOSING BID PRICE" means, for any security as of any date, the last closing bid price on the Nasdaq SmallCap Market(TM) (the "Nasdaq-SM") as reported by Bloomberg Financial Markets ("Bloomberg"), or, if the Nasdaq-SM is not the principal trading market for such security, the last closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg (the "Trading Market"), or if the foregoing do not apply, the last closing bid price of such security in the over-the-counter market on the pink sheets or bulletin board for such security as reported by Bloomberg, or, if no closing bid

price is reported for such security by Bloomberg, the last closing trade price of such security as reported by Bloomberg. If the Closing Bid Price cannot be calculated for such security on such date on any of the foregoing bases, the Closing Bid Price of such security on such date shall be the fair market value as reasonably determined in good faith by the Board of Directors of the Company (all as appropriately adjusted for any stock dividend, stock split or other similar transaction during such period);

(v) "TRADING DAY" means any day on which the Company's Common Stock is traded on the Principal Trading Market.

(c) ADJUSTMENT TO CONVERSION PRICE - DILUTION AND OTHER EVENTS. In order to retain the rights granted under this Certificate of Designations, the Conversion Price will be subject to adjustment from time to time as provided in this Section 2(c).

(i) ADJUSTMENT OF FIXED CONVERSION PRICE UPON SUBDIVISION OR COMBINATION OF COMMON STOCK. If the Company at any

time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Fixed Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Fixed Conversion Price in effect immediately prior to such combination will be proportionately increased.

- (ii) REORGANIZATION, RECLASSIFICATION, CONSOLIDATION, MERGER, OR SALE. Any recapitalization reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another Person (as defined below) or other similar transaction which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as in "Organic Change." Prior to the consummation of any Organic Change, the Company will make appropriate provision to insure that each of the holders of the Series G Preferred Shares will thereafter have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series G Preferred Shares, such shares of stock securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series G

Preferred Shares had such Organic Change not taken place. In any such case, the Company will make appropriate provision (in form and substance satisfactory to the holders of a majority of the Series G Preferred Shares then outstanding) with respect to such holders' rights and interests to insure that the provisions of this Section 2(b) will thereafter be applicable to the Series G Preferred Shares. The Company will not effect any such

consolidation, merger or sale, unless prior to the consummation thereof the successor entity (if other than the Company) resulting from consolidation or merger or the entity purchasing such assets assumes, by written instrument (in form and substance satisfactory to the holders of a majority of the Series G Preferred Shares then outstanding), the obligation to deliver to each holder of Series G Preferred Shares such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire. For purposes of this Agreement, "PERSON" shall mean an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

- (iii) SPIN OFF. If, at any time prior to a Conversion Date, the Company consummates a spin off or otherwise divests itself of a part of its business or operations or disposes of all or of a part of its assets in a transaction (the "Spin Off") in which the Company does not receive just compensation for such business, operations or assets, but causes securities of another entity (the "Spin Off Securities") to be issued to security holders of the Company, then the Company shall cause (i) to be reserved Spin Off Securities equal to the number thereof which would have been issued to the Holder had all of the holder's Series G Preferred Shares outstanding on the record date (the "Record Date") for determining the amount and number of Spin Off Securities to be issued to security holders of the Company been converted as of the close of business on the trading day immediately before the Record Date (the "Reserved Spin Off Shares"), and (ii) to be issued to the Holder on the conversion of all or any of the outstanding Series G Preferred Shares, such amount of the Reserved Spin Off Shares equal to (x) the Reserved Spin Off Shares multiplied by (y) a fraction, of which (a) the numerator is the principal amount of the outstanding Series G Preferred Shares then being converted, and (b) the denominator is the principal amount of all the outstanding Series G Preferred Shares.

- (iv) NOTICES.

- (A) Immediately upon any adjustment of the Conversion Rate, the Company will give written notice thereof to each holder of Series G Preferred Shares, setting forth in reasonable detail and certifying the calculation of such adjustment.
- (B) The Company will give written notice to each holder of Series G Preferred Shares at least twenty (20) days prior to the date on which the Company closes its books or takes a record (I) with respect to any dividend or distribution upon the Common Stock, (II) with respect to any pro rata subscription offer to holders of Common Stock or (III) for determining rights to vote with respect to any Organic Change, dissolution or liquidation.
- (C) The Company will also give written notice to each holder of Series G Preferred Shares at least twenty (20) days prior to the date on which any Organic Change (as defined below), dissolution or liquidation will take place.

(d) MECHANICS OF CONVERSION. Subject to the Company's ability to fully satisfy its obligations under a Conversion Notice (as defined below) as provided for in Section 5 below:

- (i) HOLDER'S DELIVERY REQUIREMENTS. To convert Series G Preferred Shares into full shares of Common Stock on any date (the "Conversion Date"), the holder thereof shall (A) deliver or transmit by facsimile, for receipt on or prior to 11:59 p.m., Eastern Standard Time, on such date, a copy of a fully executed notice of conversion in the form attached hereto as Exhibit I (the "Conversion Notice") to the Company or its designated transfer agent (the "Transfer Agent"), and (B) surrender to a common carrier for delivery to the Company or the Transfer Agent as soon as practicable following such date, the original certificates representing the Series G Preferred Shares being converted (or an indemnification undertaking with respect to such shares in the e case of their loss, theft or destruction) (the "Preferred Stock Certificates") and the originally executed Conversion Notice.
- (ii) COMPANY'S RESPONSE. Upon receipt by the Company of a facsimile copy of a Conversion Notice, the Company shall immediately send, via facsimile, a confirmation of receipt of such Conversion Notice to such holder. Upon receipt by the Company or the Transfer Agent of the Preferred Stock Certificates to

be converted pursuant to a Conversion Notice, together with

the originally executed Conversion Notice, the Company or the Transfer Agent (as applicable) shall, within five (5) business days following the date of receipt, (A) issue and surrender to a common carrier for overnight delivery to the address as specified in the Conversion Notice, a certificate, registered in the name of the holder or its designee, for the number of shares of Common Stock to which the holder shall be entitled or (B) credit the aggregate number of shares of Common Stock to which the holder shall be entitled to the holder's or its designee's balance account at The Depository Trust Company.

(iii) RECORD HOLDER. The person or persons entitled to receive the shares of Common Stock issuable upon a conversion of Series G Preferred Shares shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date.

(e) NASDAQ LISTING. So long as the Common Stock is listed for trading on NASDAQ or an exchange or quotation system with a rule substantially similar to NASDAQ Rule 4460(i) then, notwithstanding anything to the contrary contained herein if, at any time, the aggregate number of shares of Common Stock then issued upon conversion of the Series G Preferred Shares (including any shares of capital stock or rights to acquire shares of capital stock issued by the Corporation which are aggregated or integrated with the Common Stock issued or issuable upon conversion of the Series G Preferred Shares for purposes of such rule) equals 19.99% of the "Outstanding Common Amount" (as hereinafter defined), the Series G Preferred Shares shall, from that time forward, cease to be convertible into Common Stock in accordance with the terms hereof, unless the Corporation (i) has obtained approval of the issuance of the Common Stock upon conversion of the Series G Preferred Shares by a majority of the total votes cast on such proposal, in person or by proxy, by the holders of the then-outstanding Common Stock (not including any shares of Common Stock held by present or former holders of Series G Preferred Shares that were issued upon conversion of Series G Preferred Shares (the "Stockholder Approval"), or (ii) shall have otherwise obtained permission to allow such issuances from NASDAQ in accordance with NASDAQ Rule 4460(i). If the Corporation's Common Stock is not then listed on NASDAQ or an exchange or quotation system that has a rule substantially similar to Rule 4460(i) then the limitations set forth herein shall be inapplicable and of no force and effect. For purposes of this paragraph, "Outstanding Common Amount" means (i) the number of shares of the Common Stock outstanding on the date of issuance of the Series G Preferred Shares pursuant to the Purchase Agreement plus (ii) any additional shares of Common Stock issued thereafter in respect of such shares pursuant to a stock dividend, stock split or similar event. The maximum number of shares of Common Stock issuable as a result of the 19.99% limitation set forth herein is

hereinafter referred to as the "Maximum Share Amount." With respect to each holder of Series G Preferred Stock, the Maximum Share Amount shall refer to such holder's pro rata share thereof. In the event that Corporation obtains Stockholder Approval or the approval of NASDAQ, or by reason of the inapplicability of

the rules of NASDAQ or otherwise, the Corporation concludes that it is able to increase the number of shares to be issued above the Maximum Share Amount (such increased number being the "New Maximum Share Amount"), the references to Maximum Share Amount, above, shall be deemed to be, instead, references to the greater New Maximum Share Amount. In the event that Stockholder Approval is obtained and there are insufficient reserved or authorized shares, or a registration statement covering the additional shares of Common Stock which constitute the New Maximum Share Amount is not effective prior to the Maximum Share Amount being issued (if such registration statement is necessary to allow for the public resale of such securities), the Maximum Share Amount shall remain unchanged; provided, however, that the holders of Series G Preferred Shares may grant an extension to obtain a sufficient reserved or authorized amount of shares or of the effective date of such registration statement. In the event that (a) the aggregate number of shares of Common Stock actually issued upon conversion of the outstanding Series G Preferred Shares represents at least twenty percent (20%) of the Maximum Share Amount and (b) the sum of (x) the aggregate number of shares of Common Stock issued upon conversion of Series G Preferred Shares plus (y) the aggregate number of shares of Common Stock that remain issuable upon conversion of Series G Preferred Shares and based on the Conversion Price then in effect), represents at least one hundred percent (100%) of the Maximum Share Amount, the Corporation will use its best reasonable efforts to seek and obtain Stockholder Approval (or obtain such other relief as will allow conversions hereunder in excess of the Maximum Share Amount) as soon as practicable following the Triggering Event and before the Mandatory Redemption Date.

(f) FRACTIONAL SHARES. The Company shall not issue any fraction of a share of Common Stock upon any conversion. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of the Series G Preferred Shares by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of a fraction of a share of Common Stock. If, after the aforementioned aggregation, the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up or down to the nearest whole share.

(g) TAXES. The Company shall pay any and all taxes which may be imposed upon it with respect to the issuance and delivery of Common Stock upon the conversion of the Series G Preferred Shares.

(3) REISSUANCE OF CERTIFICATES. In the event of a conversion or

redemption pursuant to this Certificate of Designations of less than all of the Series G Preferred Shares represented by a particular Preferred Stock Certificate, the Company shall promptly cause to be issued and delivered to the holder of such Series G Preferred Shares a Preferred Stock Certificate representing the remaining Series G Preferred Shares which have not been so converted or redeemed.

(4) RESERVATION OF SHARES. During the Conversion Period, the Company shall, so long as any of the Series G Preferred Shares are outstanding, reserve and keep available out of its

authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series G Preferred Shares, such number of shares of Common Stock as shall from time to time be sufficient to affect the conversion of all of the Series G Preferred Shares then outstanding; provided that the number of shares of Common Stock so reserved shall at no time be less than 100% of the number of shares of Common Stock for which the Series G Preferred Shares are at any time convertible.

(5) VOTING RIGHTS. Holders of Series G Preferred Shares shall have no voting rights, except as required by law, including but not limited to the General Corporation Law of Delaware.

(6) LIQUIDATION, DISSOLUTION, WINDING-UP. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of the Series G Preferred Shares shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its stockholders (the "Preferred Funds"), before any amount shall be paid to the holders of any of the capital stock of the Company of any class junior in rank to the Series G Preferred Shares (other than the Series F Preferred Shares which shall be equal in rank) in respect of the preferences as to the distributions and payments on the liquidation, dissolution and winding up of the Company, an amount per Series G Preferred Share equal to \$1,000 (such sum being referred to as the "Liquidation Value"); provided that, if the Preferred Funds are insufficient to pay the full amount due to the holders of Series G Preferred Shares and holders of shares of other classes or series of preferred stock of the Company that are of equal rank with the Series G Preferred Shares as to payments of Preferred Funds (the "Pari Passu Shares"), then each holder of Series G Preferred Shares and Pari Passu Shares shall receive a percentage of the Preferred Funds equal to the full amount of Preferred Funds payable to such holder as a liquidation preference, in accordance with their respective Certificate of Designations, Preferences and Rights, as a percentage of the full amount of Preferred Funds payable to all holders of Series G Preferred Shares and Pari Passu Shares. The purchase or redemption by the Company of stock of any class in any manner permitted by law, shall not for the purposes hereof, be regarded as a liquidation, dissolution or winding up of the Company. Neither the consolidation or merger of the Company

with or into any other Person, nor the sale or transfer by the Company of less than substantially all of its assets, shall, for the purposes hereof, be deemed to be a liquidation, dissolution or winding up of the Company. No holder of Series G Preferred Shares shall be entitled to receive any amounts with respect thereto upon any liquidation, dissolution or winding up of the Company other than the amounts provided for herein.

(7) PREFERRED RATE. All shares of Common Stock shall be of junior rank to all Series G Preferred Shares in respect to the preferences as to distributions and payments upon the liquidation, dissolution, and winding up of the Company. The rights of the Series G Preferred Shares shall be subject to the Preferences and relative rights of the Series B Convertible Preferred Stock, Series C Convertible Preferred Stock, Series D Convertible Preferred Stock, Series E Convertible Preferred Stock, and Series F Convertible Preferred Stock. Without the prior express written consent of the holders of not less than a majority of the then outstanding Series G Preferred Shares, the

Company shall not hereafter authorize or issue additional or other capital stock (other than the Series F Preferred Shares which shall be equal in rank) that is of senior or equal rank to the Series G Preferred Shares in respect of the preferences as to distributions and payments upon the liquidation, dissolution and winding up of the Company. Without the prior express written consent of the holders of not less than a majority of the then outstanding Series G Preferred Shares, the Company shall not hereafter authorize or make any amendment to the Company's Certificate of Incorporation or bylaws, or make any resolution of the board of directors with the Delaware Secretary of State containing any provisions, which would materially and adversely affect or otherwise impair the rights or relative priority of the holders of the Series G Preferred Shares relative to the holders of the Common Stock or the holders of any other class of capital stock. In the event of the merger or consolidation of the Company with or into another corporation, the Series G Preferred Shares shall maintain their relative powers, designations, and preferences provided for herein and no merger shall result inconsistent therewith.

(8) RESTRICTION ON DIVIDENDS. If any Series G Preferred Shares are outstanding, without the prior express written consent of the holders of not less than a majority of the then outstanding Series G Preferred Shares, the Company shall not directly or indirectly declare, pay or make any dividends or other distributions upon any of the Common Stock so long as written notice thereof has not been given to holders of the Series G Preferred Shares at least 30 days prior to the earlier of (a) the record date taken for or (b) the payment of any such dividend or other distribution. Notwithstanding the foregoing, this Section 8 shall not prohibit the Company from declaring and paying a dividend in cash with respect to the Common Stock so long as the Company: (i) pays simultaneously to each holder of Series G Preferred Shares an amount in cash equal to the amount such holder would have received had all of such holder's Series G Preferred Shares been converted to Common Stock pursuant to Section 2

hereof one business day prior to the record date for any such dividend, and (ii) after giving effect to the payment of any dividend and any other payments required in connection therewith including to the holders of the Series G Preferred Shares, the Company has in cash or cash equivalents an amount equal to the aggregate of: (A) all of its liabilities reflected on its most recently available balance sheet, (B) the amount of any indebtedness incurred by the Company or any of its subsidiaries since its most recent balance sheet and (C) 120% of the amount payable to all holders of any shares of any class of preferred stock of the Company assuming a liquidation of the Company as the date of its most recently available balance sheet.

(9) VOTE TO CHANGE THE TERMS OF SERIES F PREFERRED SHARES. The affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting of the holders of not less than 66-2/3% of the then outstanding Series G Preferred Shares, shall be required for any change to this Certificate of Designations or the Company's Certificate of Incorporation which would amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series G Preferred Shares.

(10) LOST OR STOLEN CERTIFICATES. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock

Certificates representing the Series G Preferred Shares, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue preferred stock certificates if the holder contemporaneously requests the Company to convert such Series G Preferred Shares into Common Stock.

(11) WITHHOLDING TAX OBLIGATIONS. Notwithstanding anything herein to the contrary, to the extent that the Company receives advice in writing from its counsel that there is a reasonable basis to believe that the Company is required by applicable federal laws or regulations and delivers a copy of such written advice to the holders of the Series G Preferred Shares so effected, the Company may reasonably condition the making of any distribution (as such term is defined under applicable federal tax law and regulations) in respect of any Series G Preferred Share on the holder of such Series G Preferred Shares depositing with the Company an amount of cash sufficient to enable the Company to satisfy its withholding tax obligations (the "Withholding Tax") with respect to such distribution. Notwithstanding the foregoing or anything to the contrary, if any holder of the Series G Preferred Shares so effected receives advice in writing from its counsel that there is a reasonable basis to believe that the Company is not so required by applicable federal laws or regulations and delivers a copy of such written advice to the Company, the Company shall not be permitted to

condition the making of any such distribution in respect of any Series G Preferred Share on the holder of such Series G Preferred Shares depositing with the Company any Withholding Tax with respect to such distribution, PROVIDED, HOWEVER, the Company may reasonably condition the making of any such distribution in respect of any Series G Preferred Share on the holder of such Series G Preferred Shares executing and delivering to the Company, at the election of the holder, either: (i) if applicable, a properly completed Internal Revenue Service Form 4224, or (a) an indemnification agreement in reasonably acceptable form, with respect to any federal tax liability, penalties and interest that may be imposed upon the Company by the Internal Revenue Service as a result of the Company's failure to withhold in connection with such distribution to such holder.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed by _____, its _____, as of the _____ day of _____, 2003.

HEMCOM COMMUNICATIONS, INC.

By: _____

EXHIBIT I

HEMCOM COMMUNICATIONS, INC.
CONVERSION NOTICE

Reference is made to the Certificate of Designations, Preferences and Rights of HomeCom Communications, Inc. (the "CERTIFICATE OF DESIGNATIONS"). In accordance with and pursuant to the Certificate of Designations, the undersigned hereby elects to convert the number of shares of Series G Convertible Preferred Stock, \$.01 par value per share (the "Series G PREFERRED SHARES"), of HomeCom Communications, Inc., a Delaware corporation (the "COMPANY"), indicated below into shares of Common Stock, \$.0001 par value per share (the "COMMON STOCK"), of the Company, by tendering the stock certificate(s) representing the share(s) of Series G Preferred Shares specified below as of the date specified below.

The undersigned acknowledges that any sales by the undersigned of the securities issuable to the undersigned upon conversion of the Series G Preferred Shares shall be made only pursuant to (i) a registration statement effective under the Securities Act of 1933, as amended (the "ACT"), or (ii) advice of counsel that such sale is exempt from registration required by Section 5 of the Act.

Date of Conversion:

Number of Series G
Preferred Shares to be converted

Stock certificate no(s). of Series G
Preferred Shares to be converted:

Please confirm the following information:

Number of shares of Common
Stock to be issued:

please issue the Common Stock into which the Series G Preferred Shares are being
converted in the following name and to the following address:

Issue to: (1)

Facsimile Number:

Authorization:

By:

Title:

Dated:

ACKNOWLEDGED AND AGREED:

HECOM COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____

Date: _____

(1) If other than to the record holder of the SERIES G Preferred Shares, any applicable transfer tax must be paid by the undersigned.

FOR IMMEDIATE RELEASE

EUROTECH, LTD. SIGNS TECHNOLOGY EXCHANGE AGREEMENT
WITH HOMECOM COMMUNICATIONS, INC.

FAIRFAX, Va.--(BUSINESS WIRE)--March 27, 2003--Eurotech, Ltd. (OTC Pink Sheets: EUOT) announced today that the company has agreed to license the rights it owns to the EKOR, HNIPU and Electro Magnetic Radiography (EMR) technologies to HomeCom Communications, Inc. (HomeCom) (OTCBB: HCOM). The agreement calls for Eurotech to exchange the license to the technology in exchange for a 75% majority ownership in HomeCom and a seven per cent royalty payment on net sales. Eurotech's stock interest will be represented by Series F Convertible Preferred Stock, which, when sufficient shares of HomeCom common stock are authorized by its stockholder, will be convertible into HomeCom common stock. Eurotech and HomeCom plan to file a proxy to authorized the issuance of the additional shares. Upon the closing of the sale of the HomeCom's exiting web hosting business (which also requires stockholder approval), Eurotech will have rights to majority control of the HomeCom Board of Directors and responsibility for the assignment of any new executive management positions in HomeCom. The proposed transactions are subject to the satisfaction of certain conditions set forth in the transaction documents.

The HomeCom transaction is expected to enable Eurotech to accelerate the delivery to market of its environmental technologies and advanced materials for use in industrial products such as its hybrid non-isocyanate polyurethane (HNIPU) for coatings and paints, and its radiation-resistant EKOR nuclear encapsulant. EMR is ready to deploy for imaging of subterranean nuclear and hazardous wastes in ground and marine settings, and for oil exploration. Interested resin/binder formulators for HNIPU are being evaluated with a goal of finalizing a new technology transfer partner, anticipated no later than third quarter 2003, EKOR is in production and being marketed to nuclear waste managers in the US and abroad.

Eurotech's corporate focus will be managing its assets and holdings, including its ownership in Markland Technologies, Inc. (OTCBB:MKLD) and HomeCom. The Company has negotiated the elimination of the balance of its preferred share obligations in exchange for certain preferred stock of Markland and HomeCom, which it will acquire in the HomeCom and related transactions.

Upon completion of the HomeCom transaction, Eurotech believes that it can reduce its current burn rate by about 50%. The transaction also creates a more attractive structure to secure long term financing for Eurotech.

About Eurotech, Ltd.

Eurotech is a corporate asset manager seeking to acquire, integrate and optimize a diversified portfolio of manufacturing and service companies in various

markets. Our mission is to build value in our emerging technologies and in the companies we acquire and own, providing each with the resources it needs to realize its strategic business potential. Safe Harbor Statement

Under the Private Securities Litigation Reform Act of 1995 Investors are cautioned that certain statements contained in this document as well as some statements in periodic press releases and some oral statements of Eurotech, Ltd. officials during presentations about Eurotech, Ltd., are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions, which may be provided by management, are also forward-looking statements as defined by the Act.

Some of the factors that could significantly impact the forward-looking statements in this press release include, but are not limited to: insufficient cash flow to continue to fund the development and marketing of the Company's products and technology; a rejection of the Company's products and technologies by the marketplace, and; disputes as to the Company's intellectual property rights. Forward-looking statements are based upon current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about Eurotech, its technology, economic and market factors and the industries in which Eurotech, Ltd. does business, among other things. These statements are not guarantees of future performance and Eurotech, Ltd. has no specific intention to update these statements. More detailed information about those factors is contained in Eurotech Ltd.'s filings with the Securities and Exchange Commission.

For more information, contact Dawn Van Zant, ECON Investor Relations, Inc., via email dvanzant@investorideas.com.

Exhibit 99.26

FOR IMMEDIATE RELEASE

Markland Technologies, Inc. and Eurotech, Ltd. Announce the Retirement of 100 Million shares of Markland Common Stock in Exchange for \$16 Million of Markland Preferred Stock

FAIRFAX, Va.--(BUSINESS WIRE)--March 27, 2003--Eurotech, Ltd. (OTC Pink Sheets:EUOT.PK) and Markland Technologies, Inc. (NASDAQ:BB:MKLD.OB) announced today that they have reached an agreement to consummate a transaction pursuant to which Eurotech will exchange 100 million shares of Markland Common Stock for Series D Convertible Preferred Stock of Markland having a liquidation value of \$16 million. The preferred stock is convertible into shares of Markland Common Stock at a percentage of the market price. In connection with the exchange, Markland has secured financing with an outside investor to provide up to \$10 million in financing under an equity line.. Both the Series D Convertible Preferred Stock and the equity line will require Markland to file a Registration Statement with the SEC. Subject to the satisfaction of certain conditions outlined in the agreements, the transactions are expected to close on or about April 15, 2003. Eurotech has entered into a separate agreement with an investor to exchange the Markland Series D in consideration for the retirement of certain Eurotech preferred stock held by the investor.

In December 2002 Eurotech exchanged all of its rights to the Acoustic Core(TM) technology relating to illicit materials detection and rights related to certain cryptology technology held by Eurotech's subsidiary, Crypto.com, Inc., for approximately 239,927,344 of the outstanding common shares in Markland. The objective of this transaction was to better focus financial capital, intellectual property and human resources to the emerging growth opportunities presently found in the Homeland Security marketplace through the creation of a publicly traded subsidiary of Eurotech.

About Eurotech, Ltd.

Eurotech is a corporate asset manager seeking to acquire, integrate and optimize a diversified portfolio of manufacturing and service companies in various markets. Our mission is to build value in our emerging technologies and in the companies we acquire and own, providing each with the resources it needs to realize its strategic business potential.

About Markland Technologies, Inc.

Markland Technologies, Inc. (OTC:MKLD - News) is positioned in the security sector with integrated security solutions including border security and explosives detection. The Company's emerging technologies and expert services are focused solely to provide customers with the tools necessary to protect personnel, data and infrastructure assets.

The Company is a member of the Homeland Security Industries Association
www.hsianet.org.

For additional information about Markland please visit the Company website at:
www.marklandtech.com

"Safe Harbor Statement" Under the Private Securities Litigation Reform Act of 1995 Investors are cautioned that certain statements contained in this document as well as some statements in periodic press releases and some oral statements of officials of Eurotech, Ltd. and Markland Technologies (the "Companies") during presentations about the Companies are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act").

Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions.

In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions, which may be provided by management of the Companies, are also forward-looking statements as defined by the Act.

Some of the factors that could significantly impact the forward-looking statements in this press release include, but are not limited to: insufficient cash flow to continue to fund the development and marketing of the Companies' products and technology; a rejection of the Companies' products and technologies by the marketplace; and disputes as to the Companies' intellectual property rights. Forward-looking statements are based upon current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about the Companies, their respective technologies, economic and market factors and the industries in which the Companies conduct business, among other things.

These statements are not guarantees of future performance of the Companies and the Companies have no specific intention to update these statements. More detailed information about those factors is contained in the Companies' filings with the Securities and Exchange Commission.

Exhibit 99.27

FOR IMMEDIATE RELEASE

EUROTECH, LTD. AGREES TO TERMS WITH ITS MAJOR INVESTOR
TO ELIMINATE ALL OUTSTANDING PREFERRED SHARES
AND CERTAIN OTHER OBLIGATIONS

FAIRFAX, Va.--March 27, 2003--Eurotech, Ltd. (OTC Pink Sheets: EUOT) announced today that as part of the technology licensing transaction it has entered into with HomeCom Communications, Inc. (OTCBB: HCOM), Eurotech has reached an agreement with its preferred stockholder to (i) retire all shares of Eurotech's outstanding Series A 3% Convertible Preferred Stock held by such investor and the rights of such investor to receive shares of Eurotech's Series B 5% Convertible Preferred Stock and (ii) cancel an obligation of Eurotech to issue to such investor 10 million shares common stock in exchange for, respectively, \$16 million shares of Series D Convertible Preferred Stock of Markland Technologies, Inc. (OTCBB: MKLD) and \$1.069 million worth of HomeCom Series G Preferred Stock. Eurotech will obtain the Markland Series D Preferred shares from Markland at the future closing of an exchange by Eurotech of 100 million shares of Markland common stock for such Series D Preferred Stock. Eurotech will receive the HomeCom Series G Preferred at the future closing of its technology licensing transaction with HomeCom. The closing of the transactions between Eurotech and its investor are subject to the satisfaction of certain conditions set forth in the transaction agreements.

Eurotech will retain a common equity position of 140 million shares in Markland. The closing bid price of Markland, which is subject to market fluctuation, was \$.30 per share on March 26, 2003. Full details of the agreement will be filed in a Securities and Exchange Commission Form 8-K filing.

As a result of these transactions, Eurotech will eliminate a preferred stock position with an aggregate liquidation value of \$17.5 million, and will retain equity and preferred stock positions in two separate public companies.

"Eliminating the preferred stock of Eurotech and developing our technologies through two public companies puts Eurotech in a much stronger financial position. It also creates the platform for other business opportunities for the company to explore," stated Chad A. Verdi, Eurotech's Vice-Chairman. Verdi went on to say, "The Company is continuing to explore a possible move to the OTCBB, and we hope that the recent events will improve the overall potential success of Eurotech."

About Eurotech, Ltd.

Eurotech is a corporate asset manager seeking to acquire, integrate and optimize a diversified portfolio of manufacturing and service companies in various markets. Our mission is to build value in our emerging technologies and in the

companies we acquire and own, providing each with the resources it needs to realize its strategic business potential.

Our portfolio of technologically advanced products includes (i) proprietary materials created to specifically solve the serious problems of how nuclear and other hazardous wastes are cost effectively contained, and (ii) advanced performance materials for use in industrial products such as coatings and paints. For additional information about Eurotech and its technologies please visit the Company website: www.eurotechltd.com.

Safe Harbor Statement

Under the Private Securities Litigation Reform Act of 1995 Investors are cautioned that certain statements contained in this document as well as some statements in periodic press releases and some oral statements of Eurotech, Ltd. officials during presentations about Eurotech, Ltd., are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions, which may be provided by management, are also forward-looking statements as defined by the Act.

Some of the factors that could significantly impact the forward-looking statements in this press release include, but are not limited to: insufficient cash flow to continue to fund the development and marketing of the Company's products and technology; a rejection of the Company's products and technologies by the marketplace, and; disputes as to the Company's intellectual property rights. Forward-looking statements are based upon current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about Eurotech, its technology, economic and market factors and the industries in which Eurotech, Ltd. does business, among other things. These statements are not guarantees of future performance and Eurotech, Ltd. has no specific intention to update these statements. More detailed information about those factors is contained in Eurotech Ltd.'s filings with the Securities and Exchange Commission.

For more information, contact Dawn Van Zant, ECON Investor Relations, Inc., via email dvanzant@investorideas.com.