FORM 8-K

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FILER

CACHESTREAM CORP

CIK:**1110038**| IRS No.: **050508625** | State of Incorp.:**CO** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-30439** | Film No.: **1696613**
SIC: **9995** Non-operating establishments

Mailing Address
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SUITE 280
NORCROSS GA 30092

Business Address
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NORCROSS GA 30092
770-325-6400

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: August 2, 2001

CACHESTREAM CORPORATION
(Exact name of registrant as specified in its charter)

Colorado	000-30439	05-0508625
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

3500 Parkway Lane, NW, Suite 280
Norcross, Georgia 30092
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(770) 325-6400

Providence Capital IX, Inc.
(Former name or former address, if changed since last report)

ITEM 1. Changes in Control of Registrant

BACKGROUND INFORMATION

A Plan and Agreement of Merger (the "Agreement") was executed on June 27, 2001 by and among Providence Capital IX, Inc. ("Registrant"") and CacheStream Corporation ("CACHESTREAM"). Although Registrant was the surviving corporation pursuant to the Agreement, its name has been changed to "CacheStream Corporation," all of its past officers and directors have resigned, new officers and directors have been elected and a change in control has occurred. The new principal executive office of the Registrant is at 3500 Parkway Lane, NW, Suite 280, Norcross, Georgia 30092 and the new phone number is (770) 325-6400.

The previous Board of Directors of Registrant and the Board of Directors of CACHESTREAM deemed it desirable and in the best interests of their respective corporations for CACHESTREAM to merge into Registrant in exchange for up to 13,360,790 shares of the common stock of Registrant and approved such merger (the "Merger") pursuant to the Agreement.

APPROVAL OF PLAN AND AGREEMENT OF MERGER BY SHAREHOLDERS, REVERSE STOCK SPLIT

AND ELECTION OF DIRECTORS

The shareholders of Registrant unanimously approved the Merger at a Special Meeting on July 17, 2001 and the shareholders of CACHESTREAM unanimously approve the Merger on June 18, 2001. The following occurred pursuant to the Agreement:

1. CACHESTREAM was merged into Registrant effective July 18, 2001 in exchange for up to 13,360,790 shares of the common stock of Registrant, no par value ("Common Stock");

2. Registrant changed its name to "CACHESTREAM CORPORATION;

3. A 1-for-2 reverse stock split in the outstanding shares of Common Stock ("stock split"), was effectuated immediately precedent to the issuance of shares of Common Stock to the CACHESTREAM shareholders; and

4. The new directors of Registrant were elected for a term of office that commenced on the Effective Date of the Merger. The newly elected directors were chosen to fill vacancies on the Board and will hold office until the next election for which directors are chosen, and until their successors are duly approved by the directors and elected by the shareholders.

The Merger was intended to qualify as a tax-free reorganization pursuant to Internal Revenue Code Section 368(a). No federal or state regulatory approvals were obtained in connection with the Merger.

EFFECT OF MERGER ON ARTICLES OF INCORPORATION

Action has been taken by Registrant pursuant to which the Registrant's name has been changed from "Providence Capital IX, Inc." to "CacheStream Corporation." In all other respects, the identity, existence, purposes, powers, objects, franchises, rights, and immunities of Registrant will continue unaffected and unimpaired by the Merger. The laws of Colorado shall continue to govern the Registrant. The articles of incorporation of Registrant will continue to be the articles of incorporation of Registrant until further amended in the manner provided by law and in such articles of incorporation (the "Articles"). Also, the bylaws of Registrant will continue to be the bylaws of CACHESTREAM (the "Bylaws") until altered, amended, or repealed, or until new bylaws are adopted in accordance with the provisions of law, the Articles, and the Bylaws.

OFFFICERS AND DIRECTORS

The following table sets forth the ages of and positions and offices in Registrant held by each newly elected director of the Registrant. For information about ownership of Registrant's securities by each newly elected director, see "BENEFICIAL OWNERSHIP OF REGISTRANT SECURITIES." set forth below.

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
John J. Cusick	53	Chairman

41 University Drive,
Suite 400
Newton, Pennsylvania 18940

Richard E. Hyman 45 Director
152 Old Redding Road
Weston, Connecticut 06883

JEFFREY L. SMITH 46 DIRECTOR
3500 Parkway Lane, NW,
Suite 280
Norcross, GA 30092
</TABLE>

BIOGRAPHIES

JOHN J. CUSICK has been Chairman of CACHESTREAM since December 1999. Since March 1999, Mr. Cusick has been the Chairman and Chief Executive Officer of Q6 Technologies, Inc., a company that invests in other companies. From May 1997 to January 1998, Mr. Cusick was the President of Worldspace Incorporated, a satellite operating company. From June 1995 to May 1997, Mr. Cusick was the President of Innovia Intel Corp., a telecommunications company. Prior to that time Mr. Cusick held senior management positions with PrimeStar LLC, a satellite entertainment company, General Electric, Inc., a multinational conglomerate and GTE Inc., a satellite operating company. Mr. Cusick received an M.B.A. degree from Harvard University in 1979, an M.A. degree in Economics from the University of California at Los Angeles in 1971 and a B.S. degree in Economics from the United States Air Force Academy in 1970.

RICHARD E. HYMAN has been a director of CACHESTREAM since November 2000. Mr. Hyman has also been the Executive Vice President of Q6 Technologies, Inc. since May 2000 and a principal of Venture Development, LLC, a venture services company, since September 1999. From 1994 to September 1999, Mr. Hyman was a Vice President of GE Capital, Inc., a venture investment division of General Electric, Inc. Mr. Hyman received a B.S. in Economics from Furman University in 1977.

JEFFREY L. SMITH has been the President and Chief Executive Officer and a director of CACHESTREAM since February 2000. From May 1999 to February 2000, Mr. Smith was a Vice President of Marketing for BellSouth Telecommunications, Inc., a regional Bell operating company. From 1995 to May 1999, Mr. Smith was the Vice President of Marketing for BellSouth Entertainment, Inc., the entertainment division of a regional Bell operating company. Prior to that time Mr. Smith held senior Marketing and Operating positions with PrimeStar, LLC, a satellite entertainment company, Time Warner Cable, Inc., a cable television company and Cox Cable, Inc., a cable television company. Mr. Smith received an M.B.A. degree in Marketing from Georgia State University in 1980 and a B.S. degree in Applied Psychology from the Georgia Institute of Technology in 1978.

Names of Newly Elected Directors and Executive Officers

<TABLE>
<CAPTION>

NAMES OF INCOMING DIRECTORS

AND INCOMING EXECUTIVE OFFICERS	AGE	POSITION
<S>	<C>	<C>
Jeffrey L. Smith	46	President, Chief Executive Officer and Director
John Cusick	53	Director
Richard E. Hyman	45	Director
Khanh N. Mai	36	Vice President of Engineering
Roland N. Noll, Jr.	36	Chief Operating Officer
Clinton L. Wolf	44	Chief Marketing Officer
Thomas R. Grimes	45	Chief Technical Officer
Scott M. Magnes	37	Senior Vice President of Business Development
Gary L. Cook	42	Secretary and Treasurer

</TABLE>

Messrs. Cusick, Hyman and Smith were selected by CACHESTREAM to be the new directors of the Registrant pursuant to certain provisions of the Agreement. The newly elected directors will serve a term of office which shall continue until the next annual meeting of shareholders and until their successors have been duly elected and qualified. The new executive officers of the Registrant had similar positions with CACHESTREAM and serve at the pleasure of the newly elected Board of Directors.

BIOGRAPHIES

KHANH N. MAI has been the Vice President of Engineering of CACHESTREAM since March 2000. From August 1998 to March 2000, Mr. Mai was the Vice President of Operations for Video Networks, Inc., a content distribution company. From November 1997 to August 1998, Mr. Mai was the Director of Systems Development for Video Networks Inc., a content distribution company. From October 1994 to November 1997, Mr. Mai was principal engineer at Digital Video, a server

original equipment manufacturing company. Mr. Mai received a B.S. degree in Computer Science and Engineering from the University of Chicago in 1987. Mr. Mai also received a Masters Degree in Electrical Engineering from the University of Chicago in 1989.

ROLAND N. NOLL, JR. has been the Chief Operating Officer of CACHESTREAM since March 2000. From June 1995 to March 2000, Mr. Noll was the President of R2

Technologies, a technology consulting company. Mr. Noll received a B.S. degree in Computer Science from the University of Maryland in 1987.
CLINTON L. WOLF has been the Chief Marketing Officer of CACHESTREAM since March 2000. From September 1998 to February 2000, Mr. Wolf was the Senior Vice President of Programming and Content Development for SourceMedia Inc., an interactive technology company. From August 1997 to September 1998, Mr. Wolf was the Vice President of Programming for SourceMedia Inc. From June 1996 to July 1997, Mr. Wolf was the Director of Content Development for SourceMedia Inc. From January 1996 to June 1996, Mr. Wolf was self- employed. Mr. Wolf received a B.S. degree in Biology from the College of William and Mary in 1978.

THOMAS R. GRIMES has been the Chief Technical Officer of CACHESTREAM since February 2000. From January 1997 to February 2000, Mr. Grimes was the President and Chief Executive Officer of DataCast Communications, Inc., a software licensing company. From January 1994 to January 1997, Mr. Grimes was Vice President of Engineering at DataCast Communications, Inc. Mr. Grimes received a B.S. in Science from Carlton University in 1981.

SCOTT M. MAGNES has been the Vice President of Business Development of CACHESTREAM since March 2000. From November 1999 to March 2000, Mr. Magnes was self-employed as a consultant. From March 1999 to November 1999, Mr. Magnes was the Vice President of Business Development of Rivio.com, Inc., a small business portal enabling company. From June 1998 to March 1999, Mr. Magnes was the Chief Executive Officer of Softtrends, LLC, a consulting company. From May 1988 to June 1998, Mr. Magnes was the Director of Sales for American Megatrends, Inc., a personal computer and server storage technology and personal computer middleware company. Mr. Magnes attended the Dekalb College of Georgia State University.

GARY L. COOK has been the Secretary of CACHESTREAM since December 1999. Mr. Cook has been the Secretary and Treasurer of eVisionUSA.com, Inc., a holding company, since February 1998, and Chief Financial Officer of eVision USA.com, Inc. since September 1996. From 1994 to 1996, Mr. Cook was self-employed as the majority owner of a small business venture. From 1982 to 1994 Mr. Cook was a Senior Manager for KPMG LLP. Mr. Cook has also been a director of Global Med Technologies, Inc., a medical technology development company, since October 1999 and acting Principal Financial Officer and Treasurer since October 2000.

SHARES OF COMMON STOCK BENEFICIALLY OWNED

The following table sets forth certain information regarding beneficial ownership of the Registrant's common stock as of the effective date of the Merger by (i) each person known by the Registrant to own beneficially more than five percent (5%) of the outstanding common stock, (ii) each director, and (iii) all executive officers and directors as a group. Each person has sole voting and sole investment or dispositive power with respect to the

shares shown except as noted.

SHARES OF COMMON STOCK BENEFICIALLY OWNED

<TABLE>
<CAPTION>

Name and Address	Number of Shares Owned Beneficially	Title of Class Owned and Percent of Class(1)
<S>	<C>	<C>
John J. Cusick(10)	3,151,194(2)	40.05%
Richard Hyman(14)	0	0
Jeffrey L. Smith(11)	533,088(3)	6.78%
Khanh N. Mai(11)	149,068(4)	1.89%
Thomas R. Grimes(11)	347,501(5)	4.42%
Roland R. Noll, Jr.(11)	252,182(6)	3.21%
Clinton L. Wolf(11)	246,844(7)	3.14%
Scott M. Magnes(11)	2,742,810(8)	3.08%
Gary L. Cook(12)	0	0
Q6 Technologies, Inc.(10)	3,018,666	38.37%
Q6 Group LLC(10)	3,110,699(9)	39.54%
Asia Trans Pacific Investment Corporation(13)	2,568,370	32.64%
Chew Lee Wee	376,671	4.79%
</TABLE>		
Incoming Directors and Incoming Executive Officers as a group	7,890,910	

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* Less than one percent.

(1) The percentages listed in this column are based upon 7,867,728 outstanding shares of CacheStream common stock, which will be the number of outstanding shares of common stock as of the Effective Date.

(2) Includes the 3,110,699 shares of common stock beneficially owned by Q6 Group., LLC which is controlled by Mr. Cusick. The 3,110,399 shares of common stock include the 3,018,666 shares of common stock owned by Q6 Technologies, Inc. which is controlled by Q6 Group, LLC and Mr. Cusick. Also includes 40,495 shares underlying options to purchase common stock

that are exercisable within the next 60 days.

(3) Includes 433,323 shares underlying options to purchase common stock that are exercisable within the next 60 days.

(4) Includes 143,941 shares underlying options to purchase common stock that are exercisable within the next 60 days.

(5) Includes 206,745 shares underlying options to purchase common stock that are exercisable within the next 60 days.

(6) Includes 239,528 shares underlying options to purchase common stock that are exercisable within the next 60 days.

(7) Includes 239,528 shares underlying options to purchase common stock that are exercisable within the next 60 days.

(8) Includes 237,074 shares underlying options to purchase common stock that are exercisable within the next 60 days.

(9) Includes 3,018,666 shares beneficially owned by Q6 Technologies, Inc.

(10) The address of Mr. Cusick, Q6 Technologies, Inc., Q6 Group LLC is 41 University Drive, Suite 400, Newton, PA 18940.

(11) The address of these individuals is CacheStream Corporation, 3500 Parkway Lane NW, Suite 280, Norcross, Georgia 30092.

(12) The address of Mr. Cook is1888 Sherman Street, Suite 100, Denver, Colorado 80203.

(13) The address of the Asia Trans Pacific Investment Corporation is 6 Shenton Way, #20-09, DBS Building Tower Two, Singapore, 068809.

(14) The address of Richard Hyman is 152 Old Redding Road, Weston, CT 06883

DIVIDENDS

The Registrant has never paid dividends with respect to its Common Stock and currently does not have any plans to pay cash dividends in the future. There are no contractual restrictions on the Registrant's present or future ability to pay dividends. Future dividend policy is subject to the discretion of the Board of Directors and is dependent upon a number of factors, including future earnings, capital requirements and the financial condition of the Registrant. The Colorado Business Corporation Act ("CBCA") provides that a corporation may not pay dividends if the payment would reduce the remaining net assets of the corporation below the corporation's stated capital plus amounts constituting a liquidation preference to other security holders.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Pursuant to a management agreement dated January 15, 2000, Q6 Technologies, Inc. agreed to provide certain management services to CACHESTREAM in exchange for $5,000 per month. This management agreement was amended on November 15, 2000. Pursuant to the amendment, Q6 Technologies, Inc. agreed to defer $32,500 of unpaid management fees and future management fees through December 31, 2000 in exchange for payment in full of all management fees accrued but not paid on December 31, 2000 and the issuance of a five year warrant to purchase 32,500 shares of CACHESTREAM'S common stock at an exercise price of $1.66667 per share.

In addition, CACHESTREAM issued Q6 Technologies, Inc. an additional five year warrant to purchase 5,000 shares of CACHESTREAM common stock at an exercise price of $1.66667 per share due to the fact that the December 2000 management fee was not paid by December 31, 2000. The warrants became warrants to purchase 46,016 shares of the Registrant's Common Stock at $1.36 per share on the Effective Date.

The newly elected directors and executive officers and greater than five percent shareholders of the Registrant purchased their shares of CACHESTREAM common stock at an average price of $0.46 per share. Their options to purchase the Registrant's common stock are exercisable at prices ranging from $1.00 per share to $1.6667 per share. [ARE THESE THE CORRECT EXERCISE PRICES FOR THE PROVIDENCE STOCK?]

The Registrant has employment agreements with Messrs. J. Smith, Noll, Wolf, Magnes, Grimes and Mai. See "Executive Compensation" set forth below.

EXECUTIVE COMPENSATION

CACHESTREAM entered into employment agreements with each of the following executive officers of the Registrant: Messrs. Smith, Noll, Wolf, Magnes, Grimes and Mai. The agreements provide for a base compensation and incentive compensation based upon performance criteria and an amount established at the discretion of the Board of Directors of the Registrant. The agreements have indefinite terms unless terminated by the employee on 45 days notice, by the Registrant with cause or by the Registrant without cause upon payment of 12 months in the case of Mr. Jeffrey Smith and 6 months in the case of Messrs. Noll, Wolf, Grimes, Mai and Magnes of the employee's salary and a pro rata portion of any annual incentive compensation determined by the Registrant's Board of Directors.

The following table sets forth (i) the annual salary, (ii) potential annual incentive compensation, (iii) severance period, and (iv) maximum severance amount (which would be payable to each executive officer if such executive officer's employment was terminated without cause) for fiscal year 2001.

EMPLOYMENT AGREEMENTS FISCAL YEAR 2001

<TABLE>
<CAPTION>

NAME	ANNUAL SALARY	POTENTIAL INCENTIVE COMPENSATION	SEVERANCE PERIOD	MAXIMUM SEVERANCE AMOUNT
<S>	<C>	<C>	<C>	<C>
Jeffrey L. Smith	$180,000	$90,000	12 Months	$270,000
Roland R. Noll	$150,000	$40,000	6 Months	$95,000
Scott M. Magnes	$150,000	$40,000	6 Months	$95,000
Clinton L. Wolf	$150,000	$40,000	6 Months	$95,000
Thomas R. Grimes	$100,000	$50,000	6 Months	$95,000
Khanh N. Mai	$110,000	$40,000	6 Months	$75,000

</TABLE>

The following table provides certain information pertaining to the compensation paid by CACHESTREAM for services rendered by its executive

officers from December 22, 1999 (CACHESTREAM'S date of incorporation) through September 30, 2000 (the end of CACHESTREAM'S last fiscal year). Assuming the consummation of the Merger, the bonuses which have accrued but not yet been paid will be paid by the Company.

SUMMARY COMPENSATION TABLE FISCAL YEAR 2000

<TABLE>
<CAPTION>

		ANNUAL COMPENSATION			LONG TERM COMPENSATION AWARDS	
NAME AND PRINCIPAL POSITION	FISCAL YEAR ENDED SEPTEMBER 30,	SALARY($)	BONUS($)	OTHER($)	SECURITIES UNDERLYING OPTIONS(#)(2)	ALL OTHER COMPENSATION($)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Jeffrey L. Smith	2000	117,692	60,000(1)	-0-	710,811	-0-
Khanh N. Mai	2000	61,346	26,667(1)	-0-	182,373	-0-
Roland N. Noll, Jr.	2000	83,654	26,667(1)	-0-	322,333	-0-
Clinton L. Wolf	2000	83,654	26,667(1)	-0-	332,333	-0-
Thomas R. Grimes	2000	62,500	33,333(1)	-0-	316,341	-0-
Scott M. Magnes	2000	83,654	26,667(1)	-0-	317,349	-0-

</TABLE>

(1) Bonuses accrued but not yet paid.
(2) The numbers have been adjusted to reflect the consummation of the Merger.

Assuming the consummation of the Merger and the conversion of options to purchase the common stock of CACHESTREAM into options to purchase the common stock of the Company, the following table sets forth the individual grants of stock options made during the last completed fiscal year to each of CACHESTREAM'S named executive officers who will be the incoming Directors and incoming executive officers of the Company.

OPTION GRANTS IN FISCAL YEAR 2000

<TABLE>
<CAPTION>

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN	EXERCISE PRICE	EXPIRATION

	GRANTED(#)	FISCAL YEAR	($/SH)	DATE
<S>	<C>	<C>	<C>	<C>
Jeffrey	73,626	31.80%	0.81	02/15/2005
L.	613,550(1)		0.81	02/01/2010
Smith	4,248		0.90	08/27/2010
	4,248		0.90	09/10/2010
	4,248		0.90	09/24,2010
Khanh	159,523	8.16%	0.81	03/06/2010
N. Mai	12,271		0.81	03/06/2010
	2,595		0.90	08/27/2010
	2,595		0.90	09/10/2010
	2,595		0.90	09/24/2010
Thomas	306,776	14.15%	0.81	02/01/2010
R.	2,359		0.90	09/10/2010
Grimes	2,360		0.90	09/24/2010
Roland	276,098	14.42%	0.81	03/06/2010
R.	30,678		0.81	03/06/2010
Noll,	3,539		0.90	08/27/2010
Jr.	3,540		0.90	09/10/2010
	3,540		0.90	09/24/2010
Clinton	276,098	14.42%	0.80	03/06/2010
L. Wolf	30,678		0.81	03/06/2010
	3,539		0.90	08/27/2010
	3,540		0.90	09/10/2010
	3,540		0.90	09/24/2010
Scott	271,189	14.20%	0.81	03/06/2010
M.	30,678		0.81	03/06/2010
Magnes	3,539		0.90	08/27/2010
	3,540		0.90	09/10/2010
	3,540		0.90	09/24/2010

</TABLE>

The following table provides information with respect to each of C CACHESTREAM'S named executive officers who will be incoming executive officers of the Company concerning unexercised options to purchase the Company's Common Stock for fiscal year ended September 30, 2000 that will be held by such incoming executive officers as of the Effective Date.

FISCAL 2000 YEAR END OPTION VALUES

<TABLE>
<CAPTION>

	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR END		VALUE OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR END
NAME	EXERCISABLE	UNEXERCISABLE	EXERCISABLE UNEXERCISABLE(1)

<S>	<C>	<C>	<C>	<C>
Jeffrey L. Smith	217,254	482,666	0	0
Thomas R. Grimes	106,972	204,523	0	0
Roland R. Noll	125,654	191,741	0	0
Clinton L. Wolf	125,654	191,741	0	0
Scott M. Magnes	124,154	188,332	0	0
Khanh M. Mai	68,793	110,786	0	0

</TABLE>

(1) Calculated by multiplying the difference between the exercise prices and the closing bid price of $0.00 of CACHESTREAM'S common stock on September 30, 2000, per share by the applicable shares. Does not give consideration to commissions or other market conditions.

No options were exercised during CACHESTREAM'S fiscal year ended September 30, 2000.

ITEM 2. Acquisition Or Disposition Of Assets

In connection with the change in control as defined at Item 1 above, the Registrant has issued or reserved for issuance thirteen million three hundred sixty thousand seven hundred ninety (13,360,790) shares of common stock to CACHESTREAM's shareholders, including common stock for issuance upon the exercise of CACHESTREAM options and warrants that became Registrant options and warrants. Also, a 1 for 2 (1:2) reverse stock split in the outstanding shares of Registrant's common stock was effectuated immediately precedent to the issuance and reservation of the shares of Registrant's common stock. The stock split was part of the Agreement between Registrant and CACHESTREAM.

CONVERSION OF CACHESTREAM'S STOCK AND OTHER SECURITIES

CACHESTREAM shareholders surrendered one hundred percent (100%) of their issued and outstanding common stock, options and warrants to Registrant on the Effective Date of the Merger. Registrant then issued and delivered to CACHESTREAM shareholders the newly issued shares of Registrant's common stock as more fully described above.

Fractional Interests

No fractional shares of common stock of Registrant or certificate or scrip representing the same were issued. In lieu thereof, each fractional share of Registrant's common stock resulting from such conversion was rounded up into one full additional share of common stock of Registrant.

Status of Common Stock

All shares of common stock of Registrant into which CACHESTREAM shares were converted as herein provided were fully paid and non-assessable and were issued in full satisfaction of all rights pertaining to such Registrant common stock.

CONSIDERATION

The Registrant determined the fair value of each share of Common Stock to be $0.20. The determination of the per share fair value was computed based on a number of considerations including the following:

a--Prior to the merger with CACHESTREAM, the Registrant had no operations for approximately two years;

b--Prior to the merger with CACHESTREAM, the Registrant had negative book value and no assets as of June 30, 2001; and

c--other similar public shell companies have in effect been sold in the marketplace for cash consideration of $200,000 to $300,000 which would result in a fully diluted per share value of approximately $0.20 per share.

INVESTMENT REPRESENTATION LETTER

Each of the CACHESTREAM shareholders has executed and delivered to the Registrant an investment representation letter.

ITEMS 3, 4, 6, 8 AND 9 NOT APPLICABLE.

ITEM 5. OTHER EVENTS.

CACHESTREAM CORPORATION-

DESCRIPTION OF THE BUSINESS

OVERVIEW

Founded in 1999, CACHESTREAM'S primary business involves providing software based service solutions to media companies, which enables them to make money from broadband streaming video. CACHESTREAM developed a solution for transforming the broadband Internet into a cost-effective video distribution medium for content providers of all sizes.

Currently, video content providers lose money when providing free streaming video to broadband Internet consumers. Banner advertising revenue pays for only a small fraction of the cost to stream free broadband video content. Retailing TV quality broadband video over the Internet has not yet been accomplished on a mass-market scale. This leaves media companies around the globe looking for a profitable business model for broadband streaming video. Content providers are often confused by the huge array of competing or non-integrated "point solutions" offered by an ever-growing number of hardware, hosting, applications and software vendors. Registrant believes that these content providers are searching for a single, integrated, solution with a low cost point of entry.

Registrant believes that ChannelDancer{TM} is this single, integrated, solution. Registrant believes that ChannelDancer enables the distribution of premium streaming video with positive operating margins. ChannelDancer is a software-based service, that enables video content providers to profitably sell secure, premium, full-screen, TV quality video to any broadband Internet consumer worldwide.

CACHESTREAM ENTERPRISE SOFTWARE LICENSING PRODUCTS

CACHESTREAM also license high performance file and stream distribution and

management software for CDN and Enterprise applications such as corporate communications, data distribution, distance learning, corporate training, video distribution and more. These software products are marketed through reseller and OEM partnerships.

LEGAL PROCEEDINGS

No material legal proceedings, to which the Registrant is a party or to which the property of the Registrant is subject, are pending or are known by the Registrant to be contemplated. Also, Registrant is not aware of any legal proceedings in which any director, officer, affiliate of the Registrant or any owner of record or beneficial owner of more than five percent of any class of voting securities of the Registrant, or the newly elected directors, executive officers, or any associate of any such director, officer, affiliate of the Registrant is a party adverse to the Registrant or any of its subsidiaries or has a material interest adverse to the Registrant or any of its subsidiaries.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements.

As of the date of the filing of this Current Report on Form 8-K, the Registrant has not completed the consolidated audit of the historical financial statements of CACHESTREAM as prescribed by this Item 7(a). The financial statements required by Item 7(a) will be filed no later than October 1, 2001.

(b) Pro Forma Financial Information.

The pro forma financial statements required by Item 7(b) will be filed no later than October 1, 2001.

FORWARD LOOKING STATEMENTS

This Current Report on Form 8-K includes a number of forward-looking Statements that reflect Management's current views with respect to future events and financial performance. Those statements include statements regarding the intent, belief or current expectations of the Registrant and members of its management team as well as the assumptions on which such statements are based.

Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

The Registrant undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results overtime. The Registrant believes that its assumptions are based upon reasonable data derived from and known about its business and operations and the business and operations of CACHESTREAM. No assurances are made that actual results of operations or the results of the Registrant's future activities will not differ materially from

its assumptions.

EXHIBIT INDEX

	Exhibit No.	Exhibit
x	2.1	Plan and Agreement of Merger with CACHESTREAM/PROVIDENCE
x	2.2	CACHESTREAM/PROVIDENCE Articles of Merger
#	3.1	Articles of Incorporation
#	3.2	Bylaws
#	4.1	Agreements Defining Certain Rights of Shareholders
#	4.2	Specimen Stock Certificate
x	10.1	Providence Capital IX, Inc. Investment Agreement (with Swartz Private Equity, LLC)
x	10.2	Warrant to Purchase Stock of Providence Capital IX, Inc. (Commitment Warrant with Swartz Private Equity, LLC)
x	10.3	Warrant to Purchase Stock of Providence Capital IX, Inc. (Additional Warrant with Swartz Private Equity, LLC)
x	10.4	Registration Rights Agreement (by and among Providence Capital IX, Inc. and Swartz Private Equity, LLC)
x	10.5	Warrant Anti-Dilution Agreement (by and among Providence Capital IX, Inc. and Swartz Private Equity, LLC)
x	10.6	Acknowledgement and Agreement (with respect to Investment Agreement between Providence Capital IX, Inc. and Swartz Private Equity, LLC)
x	10.7	Investment Representation Letter
##	99.1	Safe Harbor Compliance Statement

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x filed herewith

previously filed

incorporated herein by reference from Registrant's Definitive Information Statement, filed on Schedule 14C on June 27, 2001.

SIGNATURES

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

CACHESTREAM CORPORATION

By: /s/ Jeffrey L. Smith

_____

JEFFREY L. SMITH,
President, CEO and Director

Date: August 2, 2001

PLAN AND AGREEMENT OF MERGER

AMONG:

PROVIDENCE CAPITAL IX, INC.,
a Colorado corporation;

CACHESTREAM CORPORATION,
a Colorado corporation;

_____

Dated as of June 27, 2001

_____

EXHIBITS

EXHIBIT	DOCUMENT
(I)	Certain Definitions
(II)	Articles of Merger
(III)	Bylaws of PROVIDENCE
(IV)	Disclosure Schedule
(V)	Articles of Incorporation of PROVIDENCE
(VI)	Cache Investment Representation Letters to be executed by each of the CACHE Shareholders
(VII)	Legal Opinions of Nadeau & Simmons, P.C.;
(VIII)	Schedule of Employees
(IX)	Certificate of Board of Directors CACHE.

(X) Certificate of Board of Directors PROVIDENCE.

(XI) Investment Banking Services Agreement.

PLAN AND AGREEMENT
OF
MERGER

THIS PLAN AND AGREEMENT OF MERGER (hereinafter called the "Agreement"), dated as of June 27, 2001, is by and between PROVIDENCE CAPITAL IX, INC., a Colorado corporation (hereinafter referred to as "PROVIDENCE" and/or "Surviving Corporation"), and CACHESTREAM CORPORATION, a Colorado corporation (hereinafter called "CACHE" and/or "Disappearing Corporation"), said corporations being hereafter sometimes collectively referred to as the "Constituent Corporations."

WITNESSETH:

WHEREAS, PROVIDENCE is a corporation duly organized and existing under the laws of the State of Colorado, having been incorporated in 1999, and CACHE is a corporation duly organized and existing under the laws of the State of Colorado, having been incorporated in 1999; and

WHEREAS, the authorized capital stock of PROVIDENCE consists of fifty million (50,000,000) shares of $.001 par value common stock, of which one million five hundred thousand 1,500,000 shares are outstanding, and fifty million (50,000,000) shares of preferred stock, $.001 par value, of which no shares are outstanding; and

WHEREAS, the authorized capital stock of CACHE consists of twenty million (20,000,000) shares of $.01 par value common stock, of which Five Million, Eight Hundred and Ninety Three Thousand, Six Hundred and One (5,893,601) shares are outstanding or will be outstanding at Closing; and

WHEREAS, the Boards of Directors of the Constituent Corporations deem it advisable for the general welfare and advantage of the Constituent Corporations and their respective shareholders that the Constituent Corporations merge pursuant to this Agreement and pursuant to the applicable provisions of the laws of the State of Colorado; and

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereby agree, in accordance with the applicable provisions of the laws of the State of Colorado, that the Constituent Corporations shall merge, to wit: CACHE, a Colorado

corporation, one of the Constituent Corporations and which shall cease its existence under the laws of the State of Colorado pursuant to the Merger (said corporation hereafter being sometimes called the "Disappearing Corporation"), and the terms and conditions of the Merger hereby agreed upon (hereafter called the "Merger") which the parties covenant to observe, keep and perform and the mode of carrying the same into effect are and shall be as hereafter set forth:

A. It is intended that the Merger qualify as a tax-free reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended (the "Code"). For accounting purposes, it is intended that the Merger be accounted for using purchase accounting;

B. This Agreement has been approved by the respective boards of directors of PROVIDENCE and CACHE;

C. PROVIDENCE has one million five hundred thousand 1,500,000 shares of common stock issued and outstanding, constituting all of the outstanding capital stock of PROVIDENCE;

D. Up to Thirteen Million, Three Hundred Sixty Thousand, Seven Hundred Ninety (13,360,790) of the total issued and outstanding shares of PROVIDENCE common stock (the "Shares") will either be issued or reserved for issuance to CACHE shareholders and various option and warrant holders. Such Shares will cover all CACHE shares, options and warrants issued as of the Closing Date on a fully diluted basis;

E. As of the Effective Time, no more than seven hundred fifty thousand (750,000) shares of PROVIDENCE common stock will remain issued to PROVIDENCE shareholders, Nadeau & Simmons, P.C., Brennan Dyer & Co., LLC, and Emerging Securities Group, Inc., or their assigns (collectively, the "Providence Shareholders");

F. CACHE will attempt to receive up to Four Hundred Eighty Four Thousand and Eight Cents ($484,000.08) in additional "bridge financing" (the "Bridge") that will be evidenced by the execution of debentures (the "Debentures") between CACHE and "accredited investors" as that term is defined in Rule 501 of Regulation D of the Securities Act of 1933 (the "Securities Act"), and by employees of CACHE who have deferred salary and/or the repayment of normal business travel and business expenses.

G. PROVIDENCE is to receive equity financing ("Equity Financing") within ten (10) business days after the date of this Agreement in the form of a Series A convertible preferred stock in an amount up to three million dollars ($3,000,000) to be issued by PROVIDENCE at the Effective Time. The Series A convertible preferred stock will convert into a post-merger equivalent of 2,111,420 shares of PROVIDENCE common stock based on a conversion price of $1.4208 per share and the other terms will be agreed upon.

AGREEMENT

The parties to this Agreement agree as follows:

ARTICLE I

DESCRIPTION OF TRANSACTION

1.1 MERGER OF CACHE INTO PROVIDENCE.

Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, CACHE shall be merged with and into PROVIDENCE, and the separate existence of CACHE shall cease. PROVIDENCE will continue as the surviving corporation in the Merger and will change its name to CacheStream Corporation"

1.2 EFFECT OF THE MERGER.

The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the Colorado Business Corporation Act.

1.3 CLOSING; EFFECTIVE TIME

The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Nadeau & Simmons, P.C., 56 Pine Street, Penthouse, Providence, RI at such time and date as the parties may agree (the "Scheduled Closing Time") (The date on which the Closing actually takes place is referred to in this Agreement as the "Closing Date.")

Contemporaneously with or within forty-eight (48) hours after the Closing, a properly executed plan of merger, together with fully executed articles of merger (a copy of which is attached hereto as Exhibit II conforming to the requirements of Article 7-111-105 of the Colorado Business Corporation Act, shall be filed with the Secretary of State of Colorado (the "Secretary"). The Merger shall become effective at the time such agreement and articles of merger are filed with the Secretary (the "Effective Time").

1.4 CONVERSION OF SHARES

The mode of carrying into effect the Merger provided in this Agreement, and the manner and basis of converting the shares of the Constituent Corporations into shares of the Surviving Corporation are as follows:

1:4:1 PROVIDENCE COMMON STOCK

None of the shares of PROVIDENCE common stock, $.001 par value, issued and outstanding at the Effective Time of the Merger shall be converted as a result of the Merger and of such shares, seven hundred fifty thousand

(750,000) shares shall remain issued and outstanding at the Effective Time.

1:4:2 MANNER AND BASIS OF CONVERSION OF CACHE COMMON STOCK

As of the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof, each outstanding share of CacheStream common stock will be converted into the right to receive 1.2271 Shares. Based on the shares of CacheStream common stock that will be issued and outstanding at the Effective Time, an aggregate of Seven Million, Two Hundred Thirty Two Thousand Fifty Three (7,232,053) Shares will be issuable at the Effective Time.

1:4:3 ASSUMPTION OF CACHESTREAM OPTIONS AND WARRANTS

As of the date hereof, except as set forth in Section 2.5 of the Disclosure Schedule, there are no outstanding options or warrants or other rights to purchase shares of CacheStream common stock.

At the Effective Time, each outstanding option, warrant or other right to purchase shares of CacheStream common stock ("CacheStream Option") will be assumed by PROVIDENCE and will thereafter be deemed to constitute an option, warrant or right to purchase, on the same terms and conditions as were applicable to such CacheStream Option, the number of Shares which the holder thereof would have been entitled to receive pursuant to the Merger had such holder exercised such CacheStream Option in full immediately prior to the Merger and been the holder of CacheStream common stock issuable upon exercise of such CacheStream Option, at an exercise price per share calculated by dividing the aggregate exercise price for the shares of CacheStream common stock otherwise purchasable pursuant to such CacheStream Option by the number of full Shares deemed purchasable pursuant to such CacheStream Option.

It is the intention of the parties that, to the extent that any such CacheStream Option constituted an "Incentive Stock Option" (within the meaning of Section 422 of the Code) immediately prior to the Effective Time, such CacheStream Option will continue to qualify as an Incentive Stock Option to the maximum extent permitted by Section 422 of the Code, and that the assumption of CacheStream Options provided by this Section 1.4.3 will satisfy the conditions of Section 424(a) of the Code.

From and after the date of this Agreement, no additional options or warrants to purchase shares of CacheStream common stock shall be granted by CacheStream. Except as otherwise agreed to by the parties, CacheStream shall use reasonable efforts to ensure that no person shall have any right under any stock option plan (or any option granted thereunder) or other plan, program or arrangement with respect to, including the right to acquire, equity securities of CacheStream following the Effective Date.

1.5 CLOSING OF CACHE'S TRANSFER BOOKS.

At the Effective Time, holders of certificates representing shares of

CACHE's common stock that were outstanding immediately prior to the Effective Time shall cease to have any rights as stockholders of CACHE, and the stock transfer books of CACHE shall be closed with respect to all shares of such common stock outstanding immediately prior to the Effective Time. As soon as practicable after the Effective Time, the stock ledger representing CACHE common stock issued and outstanding at the time the Merger becomes effective shall be delivered to the Surviving Corporation, such that certificates for the Shares may be issued, as above provided. No further transfer of any such shares of CACHE's common stock shall be made on such stock transfer books after the Effective Time. If, after the Effective Time, a valid certificate previously representing any of such shares of CACHE common stock (a "CACHE Stock Certificate") is presented to PROVIDENCE, such CACHE Stock Certificate shall be canceled and shall be exchanged as provided in Section 1.6.

1.6 EXCHANGE OF CERTIFICATES.

(A) Upon surrender of a CACHE Stock Certificate to the Surviving Corporation for exchange, together with such other documents as may be reasonably required by the Surviving Corporation, the holder of such CACHE Stock Certificate shall be entitled to receive in exchange therefor a certificate representing the number of whole Shares of the Surviving Corporation that such holder has the right to receive pursuant to the provisions of Section 1.4, and the CACHE Stock Certificate so surrendered shall be canceled. Until surrendered as contemplated by this Section 1.6, each CACHE Stock Certificate shall be deemed, from and after the Effective Time, to represent only the right to receive upon such surrender a certificate representing Shares of the Surviving Corporation as contemplated by Section 1.4. If any CACHE Stock Certificate shall have been lost, stolen or destroyed, the Surviving Corporation may, in its discretion and as a condition precedent to the issuance of any certificate representing the Shares of the Surviving Corporation, require the owner of such lost, stolen or destroyed CACHE Stock Certificate to provide an appropriate affidavit and to deliver a bond (in such sum as the Surviving Corporation may reasonably direct) as indemnity against any claim that may be made against the Surviving Corporation with respect to such CACHE Stock Certificate.

(B) No dividends or other distributions declared or made with respect to the Shares of the Surviving Corporation with a record date after the Effective Time shall be paid to the holder of any unsurrendered CACHE Stock Certificate with respect to the Shares of the Surviving Corporation represented thereby, until such holder surrenders such CACHE Stock Certificate in accordance with this Section 1.6 (at which time such holder shall be entitled to receive all such dividends and distributions and such cash payment).

(C) No fractional Shares of the Surviving Corporation shall be issued in connection with the Merger, and no certificates for any such fractional shares shall be issued. In lieu of such fractional shares, any holder of capital stock of CACHE who would otherwise be entitled to receive a

fraction of a Share of the Surviving Corporation (after aggregating all fractional Shares of the Surviving Corporation issuable to such holder) shall, upon surrender of such holder's CACHE Stock Certificate(s), have such fractional interest rounded up to the nearest whole number.

(D) The Surviving Corporation shall not be liable to any holder or former holder of common stock of CACHE for any Shares of the Surviving Corporation (or dividends or distributions with respect thereto), or for any cash amounts, delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

1.7 CACHE STOCKHOLDER APPROVAL; DISSENTING SHARES.

At the Closing CACHE shall deliver to Providence a certificate or resolution signed by each of the stockholders of CACHE (the "CACHE Stockholders") whereby each agrees and acknowledges the following:

(A) that the terms of the Merger, this Agreement, and all other agreements contemplated herein are hereby approved, ratified and confirmed and the officers of CACHE are, and each of them hereby is, authorized and directed, in the name and on behalf of CACHE, to consummate the transactions contemplated by this Agreement, on the terms set forth in such documents and such other agreements, and any amendments thereto, as the officers executing such agreements may in their discretion deem reasonable and appropriate; and

(B) that he or she hereby agrees to waive any "appraisal rights" within the meaning of the Colorado Business Corporation Act with respect to the Merger.

1.8 GOVERNING LAW; ARTICLES OF INCORPORATION

The laws which are to govern the Surviving Corporation are the laws of the State of Colorado. The Articles of Incorporation of PROVIDENCE, as heretofore amended, shall, prior to the Effective Time of the Merger, be amended to the extent set forth in Paragraph three of the Articles of Merger, attached hereto, to amend the name of PROVIDENCE CAPITAL IX, INC. As so amended, such Articles of Incorporation shall remain in effect thereafter until the same shall be further amended or altered in accordance with the provisions thereof.

1.9 BYLAWS.

The Bylaws of PROVIDENCE (a copy of which is attached as Exhibit III) at the Effective Time shall be the Bylaws of the Surviving Corporation until the same shall be altered or amended in accordance with the provisions thereof.

1.10 DIRECTORS AND OFFICERS

DIRECTORS. At the Effective Time, the Directors of the Surviving Corporation shall be as set forth below, until their respective successors are duly elected and qualified at the next annual meeting of shareholders of the Surviving Corporation. As of the Effective Time, the previous directors of PROVIDENCE shall resign.

The names and addresses of the Directors of the Surviving Corporation are as follows:

NAME	AGE	POSITION
John J. Cusick 41 University Drive, Suite 400 Newtown, PA 18940	53	Chairman
Richard E. Hyman 152 Old Redding Road Weston, CT 06883	45	Director
JEFFREY L. SMITH 3500 Parkway Lane, NW, Suite 280 Norcross, GA 30092	46	DIRECTOR

OFFICERS. The names, titles and addresses of the persons who, upon the Effective Time, shall constitute the officers of the Surviving Corporation, and who shall hold office, subject to the Bylaws, until the first meeting of directors following the next annual meeting of shareholders, are as follows:

NAME	AGE	POSITION
Jeffrey L. Smith 3500 Parkway Lane, NW, Suite 280 Norcross, GA 30092	46	President
Khanh N. Mai 3500 Parkway Lane, NW, Suite 280 Norcross, GA 30092	36	Vice President of Engineering
Thomas R. Grimes 3500 Parkway Lane, NW, Suite 280 Norcross, GA 30092	46	Chief Technical Officer
Scott M. Magnes 3500 Parkway Lane, NW, Suite 280	37	Senior Vice President of Business Development

Norcross, GA 30092

Roland N. Noll, Jr. 3500 Parkway Lane, NW, Suite 280 Norcross, GA 30092	36	Chief Operating Officer
Clinton L. Wolf 3500 Parkway Lane, NW, Suite 280 Norcross, GA 30092	44	Chief Marketing Officer
Gary L. Cook 1888 Sherman Street Suite 500 Denver, Colorado 80203	43	Secretary and Treasurer

1.11 TAX CONSEQUENCES.

For federal income tax purposes, the Merger is intended to constitute a reorganization within the meaning of Section 368(a)(1)(A) of the Code. The parties to this Agreement hereby adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the Internal Revenue Service Regulations.

1.12 Accounting Treatment.

For accounting purposes, the Merger is intended to be accounted for as a purchase under GAAP.

1.13 Further Action.

If, at any time after the Effective Time, any further action is determined by the Surviving Corporation to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full right, title and possession of and to all rights and property of CACHE, the officers and directors of the Surviving Corporation shall be fully authorized (in the name of CACHE and otherwise) to take such action.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF CACHE AND ITS STOCKHOLDERS.

Except as set forth in the Disclosure Schedule attached as Exhibit IV (the "Disclosure Schedule"), CACHE hereby represents and warrants as follows:

2.1 Organization, Standing and Qualification.

CACHE is a corporation in existence under the laws of the State of Colorado, and has all requisite corporate power and authority to own, to

lease or to operate its properties and to carry on its business as it is now being conducted. Section 2.1 of the Disclosure Schedule sets forth a true, complete and correct list of each jurisdiction, foreign or domestic, in which it (a) owns or leases property, has employees or otherwise conducts operations and/or (b) is licensed or qualified to do business as a foreign corporation. CACHE is duly licensed or qualified to do business as a foreign corporation in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities, makes such licensing or qualification necessary, except for where the failure to be so licensed and qualified would not have a material adverse effect on the business of CACHE.

2.2 Authority.

THE EXECUTION AND DELIVERY OF THIS AGREEMENT HAS BEEN AUTHORIZED BY THE BOARD OF DIRECTORS OF CACHE AND APPROVED BY THE CACHE STOCKHOLDERS IN ACCORDANCE WITH SECTION 7-111-109 OF THE COLORADO BUSINESS CORPORATION ACT AND NO FURTHER CORPORATE PROCEEDINGS ON THE PART OF CACHE WILL BE NECESSARY. THIS AGREEMENT HAS BEEN DULY EXECUTED AND DELIVERED BY CACHE AND, ASSUMING THE DUE AND VALID EXECUTION AND DELIVERY OF THIS AGREEMENT BY PROVIDENCE, THIS AGREEMENT CONSTITUTES THE LEGAL, VALID AND BINDING OBLIGATION OF CACHE, TO THE EXTENT APPLICABLE, ENFORCEABLE IN ACCORDANCE WITH ITS TERMS, ALL AS MAY BE SUBJECT TO OR AFFECTED BY ANY BANKRUPTCY, REORGANIZATION, INSOLVENCY, MORATORIUM OR SIMILAR LAWS OF GENERAL APPLICATION FROM TIME TO TIME IN EFFECT AND RELATING TO OR AFFECTING THE RIGHTS OR REMEDIES OF CREDITORS GENERALLY.

2.3 No Conflict, Breach, Default or Violation.
THE EXECUTION AND DELIVERY OF THIS AGREEMENT DOES NOT, AND THE COMPLETION OF TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT WILL NOT CONFLICT WITH, RESULT IN A BREACH OF OR THE ACCELERATION OF ANY OBLIGATION UNDER, OR CONSTITUTE A DEFAULT OR EVENT OF DEFAULT (OR EVENT WHICH WITH NOTICE OR LAPSE OF TIME OR BOTH WOULD CONSTITUTE A DEFAULT) UNDER, ANY PROVISION OF ANY CHARTER, BYLAW, INDENTURE, MORTGAGE, LIEN, LEASE, LICENSE, AGREEMENT, CONTRACT, PERMIT, ORDER, JUDGMENT, OR, TO THE BEST OF THE CACHE'S KNOWLEDGE, ANY JUDICIAL OR ADMINISTRATIVE DECREE, ORDINANCE OR REGULATION, OR ANY RESTRICTION TO WHICH ANY PROPERTY OF CACHE IS SUBJECT OR BY WHICH CACHE IS BOUND, THE RESULT OF WHICH WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF CACHE.

2.4 Approvals.

EXCEPT FOR THE FILINGS WITH THE SECRETARY CONTEMPLATED HEREBY, NO CONSENT, APPROVAL, ORDER OR AUTHORIZATION OF, OR REGISTRATION, DECLARATION OR FILING WITH, ANY COURT, ADMINISTRATIVE AGENCY OR COMMISSION OR OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY, DOMESTIC OR FOREIGN (A "GOVERNMENTAL ENTITY"), OR THIRD PARTY IS REQUIRED BY OR WITH RESPECT TO CACHE IN CONNECTION WITH THE EXECUTION AND DELIVERY BY CACHE OF THIS AGREEMENT, OR THE COMPLETION OF THE TRANSACTIONS CONTEMPLATED HEREBY, THE ABSENCE OF WHICH WOULD HAVE A MATERIAL ADVERSE EFFECT ON CACHE.

2.5 Capitalization.

The authorized capital stock of CACHE consists of twenty million (20,000,000) shares of CACHE common stock, $.01 par value per share, of which Eight Million, Two Hundred Sixty Seven Thousand, One Hundred (8,267,100) shares are issued and outstanding or are reserved for issuance prior to the Closing Date. The CACHE shares are validly issued, fully paid and non-assessable and not subject to preemptive rights. Section 2.5 of the Disclosure Schedule sets forth a true, complete and correct list of (i) the holders of record of the issued and outstanding shares of CACHE common stock, and (ii) all claims, commitments or agreements to which CACHE is a party or by which it is bound, obligating CACHE to issue, deliver or sell, or to cause to be issued, delivered or sold, additional shares of common stock of CACHE or obligating CACHE to grant, extend or enter into any such option, warrant, call, right or agreement with respect to its capital stock. There are, and as of the Effective Time there will be, no agreements obligating CACHE to redeem, repurchase or otherwise acquire the common stock of CACHE, or any other securities issued by it, or to register the sale of the common stock of CACHE under applicable securities laws. There are, and as of the Effective Time there will be, no agreements or arrangements prohibiting or otherwise restricting the payment of dividends or distributions to the CACHE Shareholders by CACHE.

2.6 Financial Statements.

CACHE HAS FURNISHED TO PROVIDENCE TRUE, COMPLETE AND CORRECT COPIES OF THE CACHE CONSOLIDATED AUDITED BALANCE SHEET AT SEPTEMBER 30, 2000 AND THE RELATED AUDITED CONSOLIDATED STATEMENTS OF OPERATIONS, CASH FLOWS AND CHANGES IN STOCKHOLDERS EQUITY FOR THE PERIOD THEN ENDED (ALL OF THESE FINANCIAL STATEMENTS BEING COLLECTIVELY REFERRED TO HEREIN AS THE "CACHE FINANCIALS"). THE CACHE FINANCIALS ARE IN ACCORDANCE IN ALL MATERIAL RESPECTS WITH THE BOOKS AND RECORDS OF CACHE, HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A CONSISTENT BASIS DURING THE PERIODS INVOLVED (EXCEPT AS MAY BE INDICATED IN THE NOTES THERETO) AND FAIRLY PRESENT THE FINANCIAL POSITION OF CACHE AS AT THE DATE THEREOF. THE CACHE FINANCIALS ARE SET FORTH IN SECTION 2.6 OF THE DISCLOSURE SCHEDULE.

2.7 Liabilities.

TO THE BEST OF CACHE'S KNOWLEDGE, CACHE HAS NO LIABILITIES OR OBLIGATIONS, EITHER ACCRUED, ABSOLUTE, CONTINGENT, OR OTHERWISE, REQUIRED TO BE BUT NOT REFLECTED OR RESERVED AGAINST IN THE CACHE FINANCIALS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, EXCEPT THOSE THAT ARE NOT MATERIAL, AND CACHE KNOWS OF NO POTENTIAL LIABILITY THAT WOULD RESULT IN A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF CACHE, OTHER THAN THOSE (A) REFLECTED OR RESERVED AGAINST IN THE CACHE FINANCIALS, (B) INCURRED IN THE ORDINARY COURSE OF BUSINESS SINCE SEPTEMBER 30, 2000 OR (C) UP TO ONE MILLION, ONE HUNDRED FIFTY NINE THOUSAND DOLLARS AND EIGHT CENTS ($1,159,000.08) OF NOTES AND DEBENTURES THAT HAVE BEEN ON WILL BE ISSUED BY CACHE SINCE SEPTEMBER 30, 2000.

2.8 Additional Information.

SECTION 2.8 OF THE DISCLOSURE SCHEDULE SETS FORTH A TRUE, COMPLETE AND CORRECT LIST, OR REFERENCES AN ATTACHMENT THERETO, OF THE FOLLOWING ITEMS:

2.8.1 Real Property

ALL REAL PROPERTY AND STRUCTURES THEREON, PRESENTLY (I) OWNED BY, OR SUBJECT TO A CONTRACT OF PURCHASE AND SALE OR OPTION AGREEMENT INVOLVING CACHE (COLLECTIVELY, THE "REAL PROPERTY"), (II) LEASED BY, OR SUBJECT TO A LEASE COMMITMENT INVOLVING, CACHE (COLLECTIVELY, THE "LEASED PROPERTY"), WITH A DESCRIPTION OF: (X) THE GENERAL USE TO WHICH SUCH REAL PROPERTY IS OR WAS PUT; (Y) THE GENERAL NATURE AND AMOUNT OF ANY ENCUMBRANCES THEREON; AND (Z) IF LEASED THE NAME OF THE LESSOR AND A TRUE, COMPLETE AND CORRECT COPY OF ANY WRITTEN AGREEMENT PURSUANT TO WHICH SUCH REAL PROPERTY IS LEASED.

2.8.2 Machinery and Equipment.

ALL MACHINERY, WORK PRODUCT, TOOLS, EQUIPMENT, FURNISHINGS, AND FIXTURES (EXCLUDING SUCH ITEMS THAT HAD A COST BASIS OF $20,000 OR LESS AT THE DATE OF THE DISCLOSURE SCHEDULE) OWNED, LEASED OR SUBJECT TO A CONTRACT OF PURCHASE AND SALE OR LEASE COMMITMENT, BY CACHE WITH, TO THE EXTENT PRACTICAL, A DESCRIPTION WITH RESPECT TO EACH SUCH OF: (I) THE SERIAL NUMBER OF SUCH ITEM; (II) THE GENERAL LOCATION AT WHICH SUCH ITEM IS KEPT; (II) WHETHER SUCH ITEM IS OWNED OR LEASED; (IV) IF OWNED, A GENERAL DESCRIPTION OF THE NATURE AND AMOUNT OF ANY ENCUMBRANCES THEREON; AND (V) IF LEASED, THE NAME OF THE LESSOR AND A TRUE, COMPLETE AND CORRECT COPY OF ANY WRITTEN AGREEMENT PURSUANT TO WHICH SUCH ITEM IS LEASED.

2.8.3 Receivables.

ALL ACCOUNTS AND NOTES RECEIVABLE PRESENTLY OWNED BY CACHE, TOGETHER WITH AN APPROPRIATE AGING SCHEDULE, AS OF SEPTEMBER 30, 2000, WHICH LIST SEPARATELY ALL AMOUNTS RECEIVABLE FROM THE CACHE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS OF CACHE, FROM OR FROM ANY OF THEIR RESPECTIVE AFFILIATES. TO THE BEST OF CACHE'S KNOWLEDGE, ALL ACCOUNTS AND NOTES RECEIVABLE OF CACHE REPRESENT BONA FIDE CLAIMS AGAINST DEBTORS FOR SERVICES PERFORMED OR OTHER CHARGES ARISING IN THE ORDINARY COURSE OF BUSINESS AND ARE SUBJECT TO NO MATERIAL DEFENSES, COUNTERCLAIMS OR RIGHTS OF SET-OFF.

2.8.4 Payables.

All accounts and notes payable owed by CACHE, together with an appropriate aging schedule, as of September 30, 2000, which list separately all such amounts payable to any CACHE shareholder, director, officer, employee, or agent of CACHE, to CACHE shareholders or to any of their irrespective affiliates. To the best of CACHE's knowledge, all accounts and notes payable of CACHE represent bona fide claims against CACHE for services

performed or other charges arising in the ordinary course of business.

2.8.5 Contracts.

All contracts, agreements and commitments of CACHE, whether or not made in the ordinary course of business, including leases under which CACHE is lessor or lessee, which are to be performed in whole or in part after the Effective Time, and which (i) involve or may involve aggregate payments by or to CACHE of $20,000 or more after the Effective Time, (ii) are not terminable by CACHE without premium or penalty on 60 (or fewer) days' notice, (iii) purport to prohibit or restrict the ability of CACHE to participate or compete in any material line of business or with any person, (iv) purport to prohibit or restrict another person's ability to be in the line of business of CACHE or to compete with CACHE or (v) are otherwise material to the business or properties of CACHE. To the best of CACHE's knowledge, CACHE has complied in all material respects with all commitments, contracts, agreements and obligations pertaining to it listed on Section 2.8.5 of the Disclosure Schedule and is not and will not be as of the date of the Disclosure Schedule, in material default under any such contracts and agreements and no notice of material default has been received, in each case which would have a material adverse effect on the business of CACHE.

2.8.6 Licenses; Permits.

ALL APPROVALS, AUTHORIZATIONS, CONSENTS, LICENSES, ORDERS, FRANCHISES, RIGHTS, REGISTRATIONS AND PERMITS OF ANY TYPE HELD BY CACHE, WHICH TOGETHER CONSTITUTE ALL MATERIAL APPROVALS, AUTHORIZATIONS, CONSENTS, LICENSES, ORDERS, FRANCHISES, RIGHTS, REGISTRATIONS AND PERMITS (THE "PERMITS") REQUIRED TO OPERATE ITS BUSINESS AS PRESENTLY CONDUCTED. TO THE BEST OF CACHE'S KNOWLEDGE, ALL SUCH PERMITS ARE CURRENTLY IN FULL FORCE AND EFFECT AND CACHE IS IN COMPLIANCE THEREWITH, EXCEPT TO THE EXTENT NONCOMPLIANCE WOULD NOT HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF CACHE. THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE COMPLETION OF THE TRANSACTIONS CONTEMPLATED HEREBY WILL NOT RESULT IN ANY REVOCATION, CANCELLATION, SUSPENSION OR MODIFICATION OF ANY SUCH APPROVAL, AUTHORIZATION, CONSENT, LICENSE, ORDER, FRANCHISE, RIGHT, REGISTRATION OR PERMIT, WHICH REVOCATION, CANCELLATION, SUSPENSION OR MODIFICATION WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF CACHE.

2.8.7 Employment Agreements.

ALL ORAL OR WRITTEN EMPLOYMENT OR CONSULTING AGREEMENTS TO WHICH CACHE IS A PARTY OR BY WHICH CACHE IS BOUND, INCLUDING, WITHOUT LIMITATION, ALL ORAL OR WRITTEN EMPLOYMENT OR CONSULTING AGREEMENTS OR ANY OTHER ARRANGEMENTS WITH ANY PERSON WHICH PROVIDE FOR THE PAYMENT OF ANY CONSIDERATION BY CACHE TO SUCH PERSON AS A RESULT OF THE TERMINATION OF SUCH PERSON'S EMPLOYMENT WITH CACHE, OR ON THE COMPLETION OF THE TRANSACTIONS CONTEMPLATED HEREBY.

2.8.8 Insurance Policies.

ALL (I) POLICIES OF PROPERTY, FIRE AND CASUALTY, PRODUCT LIABILITY, WORKER'S COMPENSATION, PROFESSIONAL LIABILITY AND TITLE INSURANCE AND OTHER FORMS OF INSURANCE, UNDER WHICH CACHE IS INSURED, AND (II) BONDS ISSUED OR POSTED BY ANY PERSON WHICH RESPECT TO ANY OPERATION OR OTHER ACTIVITIES OF CACHE.

2.8.9 Transactions with Management.

ALL MATERIAL CONTRACTS, LEASES AND COMMITMENTS BY AND BETWEEN CACHE AND ANY OF ITS OFFICERS, DIRECTORS, STOCKHOLDERS, EMPLOYEES, OR AGENTS, OR ANY AFFILIATE OF ANY SUCH PERSON. EXCEPT AS SET FORTH IN SECTION 2.9 OF THE DISCLOSURE SCHEDULE, NONE OF THE OFFICERS, DIRECTORS, STOCKHOLDERS, OR EMPLOYEES OF CACHE OWNS, LEASES OR LICENSES ANY INTEREST IN ANY ASSET USED BY CACHE IN ITS BUSINESS, OTHER THAN SOLELY BY AND THROUGH OWNERSHIP OF THE CAPITAL STOCK OF CACHE.

2.8.10 Assumed Names.

ALL ASSUMED OR FICTITIOUS NAMES UNDER WHICH CACHE ENGAGES IN OR CONDUCTS ANY BUSINESS.

2.9 Litigation

THERE IS NO SUIT, ACTION, PROCEEDING OR INVESTIGATION PENDING OR, TO THE BEST KNOWLEDGE OF CACHE, THREATENED AGAINST OR AFFECTING CACHE (OR ANY OF ITS OFFICERS OR DIRECTORS IN CONNECTION WITH THE BUSINESS OF CACHE), NOR IS THERE ANY OUTSTANDING JUDGMENT, ORDER, WRIT, INJUNCTION OR DECREE AGAINST CACHE.

2.10 Absence of Certain Changes.

EXCEPT AS IS SET FORTH IN SECTION 2.10 OF THE DISCLOSURE SCHEDULE, TO THE BEST OF CACHE'S KNOWLEDGE, SINCE SEPTEMBER 30, 2000, THERE HAS NOT BEEN: (I) ANY MATERIAL ADVERSE CHANGE IN THE FINANCIAL CONDITION, ASSETS, LIABILITIES (CONTINGENT OR OTHERWISE), INCOME OR BUSINESS OF CACHE; (II) ANY DAMAGE, DESTRUCTION OR LOSS (WHETHER OR NOT COVERED BY INSURANCE) MATERIALLY AND ADVERSELY AFFECTING THE PROPERTIES OR BUSINESS OF CACHE; (III) ANY DECLARATION OR PAYMENT OF ANY DIVIDEND OR DISTRIBUTION IN RESPECT OF THE CAPITAL STOCK OR ANY DIRECT OR INDIRECT REDEMPTION, PURCHASE OR OTHER ACQUISITION OF ANY OF THE CAPITAL STOCK OF CACHE; (IV) ANY INCREASE IN THE COMPENSATION, BONUS, SALES COMMISSIONS OR FEE ARRANGEMENT PAYABLE OR TO BECOME PAYABLE BY CACHE TO ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, CONSULTANTS OR AGENTS OTHER THAN RAISES OR INCREASES IN COMPENSATION CONSISTENT WITH PRIOR POLICY THAT ARE NOT IN EXCESS OF FIVE PERCENT OF THE INDIVIDUAL'S ANNUAL COMPENSATION OR HOURLY RATE; (V) THE CREATION OF ANY MATERIAL ENCUMBRANCE ON ANY OF THE ASSETS OF CACHE, OR THE AMENDMENT, MODIFICATION OR EXTENSION OF ANY EXISTING MATERIAL ENCUMBRANCE ON ANY SUCH ASSET OTHER THAN ANY SUCH CREATION, AMENDMENT, MODIFICATION OR EXTENSION EFFECTED (A) IN THE ORDINARY COURSE OF BUSINESS, (B) AS REQUIRED IN CONNECTION WITH THE CACHE MERGER, (C) IN CONNECTION WITH THE TRANSFER OF THOSE CERTAIN ASSETS SET FORTH ON SECTION 2.10 OF THE DISCLOSURE SCHEDULE;

OR (D) FOR CURRENT TAXES OR ASSESSMENTS WHICH ARE NOT YET DUE, OR BEING CONTEMPLATED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS; (VI) ANY SALE, ASSIGNMENT, TRANSFER, CONVEYANCE, LEASE, HYPOTHECATION, ABANDONMENT OR OTHER DISPOSITION OF OR AGREEMENT TO SELL, ASSIGN, TRANSFER, CONVEY, LEASE, HYPOTHECATE, ABANDON OR OTHERWISE DISPOSE OF, ANY OF THE MATERIAL ASSETS OF CACHE, OTHER THAT (A) ASSETS SOLD IN THE ORDINARY COURSE OF BUSINESS; (B) THE ASSETS SET FORTH ON SECTION 2.10 OF THE DISCLOSURE SCHEDULE; OR (C) ANY ASSETS WHICH ARE SCRAPPED AS OBSOLETE IN CONFORMANCE WITH CUSTOMARY PROCEDURE.

2.11 Title to Assets; Encumbrances.

CACHE OWNS ITS MATERIAL ASSETS, WHETHER REAL, PERSONAL OR INTANGIBLE, FREE AND CLEAR OF ALL ENCUMBRANCES, EXCEPT FOR (I) LIENS FOR CURRENT TAXES AND ASSESSMENTS NOT YET DUE, OR BEING CONTESTED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS, (II) MECHANIC'S LIENS ARISING UNDER THE OPERATION OF LAW OR FOR ACTIONS CONTESTED IN GOOD FAITH OR FOR WHICH PAYMENT ARRANGEMENTS HAVE BEEN MADE, (III) LIENS GRANTED OR INCURRED BY CACHE IN THE ORDINARY COURSE OF ITS BUSINESS OR IN CONNECTION WITH THE FINANCING OF OFFICE SPACE, FURNITURE AND EQUIPMENT IN THE ORDINARY COURSE OF ITS BUSINESS, (IV) EASEMENTS, COVENANTS, RESTRICTIONS AND OTHER EXCEPTION TO TITLE OF RECORD (WHICH DO NOT MATERIALLY AND ADVERSELY AFFECT THE OPERATION OF CACHE), (V) ENCUMBRANCES OTHERWISE DESCRIBED IN SECTION 2.11.1 OF THE DISCLOSURE SCHEDULE, OR (VI) ENCUMBRANCES REFLECTED ON THE BALANCE SHEET AT SEPTEMBER 30, 2000 OF CACHE;

THERE ARE NO PARTIES IN POSSESSION OF ANY OF THE MATERIAL ASSETS OF CACHE OTHER THAN CACHE, OTHER THAN PERSONAL PROPERTY HELD BY THIRD PARTIES IN THE REASONABLE AND ORDINARY COURSE OF BUSINESS. CACHE ENJOYS FULL, FREE AND EXCLUSIVE USE AND QUIET ENJOYMENT OF ITS MATERIAL ASSETS AND ITS RIGHTS PERTAINING THERETO. CACHE ENJOYS PEACEFUL AND UNDISTURBED POSSESSION UNDER ALL LEASES UNDER WHICH IT IS LESSEE.

2.12 Condition of Assets.

TO THE BEST OF CACHE'S KNOWLEDGE, EACH OF THE BUILDINGS, STRUCTURES, EQUIPMENT OR OTHER ITEMS OF TANGIBLE PERSONAL PROPERTY OF CACHE WITH A COST BASIS OF AT LEAST $20,000 IS IN WORKING ORDER AND REPAIR, ORDINARY WEAR AND TEAR EXCEPTED.

2.13 Taxes and Returns.

2.13.1 CACHE has (i) filed all material tax returns and reports required to be filed by it and (ii) paid all material taxes which it has incurred and which have become due and payable, except such as are being or may be contested in good faith by appropriate proceedings or relate to the fiscal year ended September 30, 2000. No deficiencies for any taxes have been proposed, asserted, or formally assessed against CACHE, and no requests for waivers of the time to assess any such tax are pending. The CACHE Financials reflect an adequate accrual, based on the facts and circumstances existing as of the date hereof, for all material taxes

payable by CACHE (whether or not shown on any return) through the date thereof. Section 2.13 of the Disclosure Schedule includes true, complete and correct copies of all tax returns and reports filed by CACHE since October 31, 2000.

2.13.2 For the purposes of this Agreement, the term "tax" (including, with correlative meaning, the terms "taxes" and "taxable") shall include all federal, state, local and foreign income, profits, franchise, gross receipt, payroll, estimated sales, employment, use, property, withholding, excise and other taxes, duties or assessments of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts.

2.14 Employment Practices.

CACHE HAS COMPLIED WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT AND ALL OTHER LAWS RELATING TO EQUAL EMPLOYMENT OF LABOR INCLUDING, WITHOUT LIMITATION, LAWS RELATING TO EQUAL EMPLOYMENT OPPORTUNITY AND EMPLOYMENT DISCRIMINATIONS, EMPLOYMENT OF ILLEGAL ALIENS, WAGES, HOURS AND COLLECTIVE BARGAINING, THE VIOLATION OR FAILURE TO COMPLY WITH WHICH WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF CACHE. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, CACHE HAS COMPLIED WITH ALL LAWS RELATING TO THE COLLECTION AND PAYMENT OF SOCIAL SECURITY AND WITHHOLDING TAXES, OR BOTH, AND SIMILAR TAXES EXCEPT WHERE THE FAILURE TO COMPLY WITH SUCH LAWS WOULD NOT HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF CACHE. CACHE IS NOT LIABLE FOR ANY ARREARAGE OF WAGES OR ANY TAXES OR PENALTIES FOR FAILURE TO COMPLY WITH ANY OF THE FOREGOING, WHICH WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF CACHE.

2.15 COMPLIANCE WITH LAW.

To the best knowledge of CACHE, CACHE is in compliance with and is not in violation of or in default with respect to, or in alleged violation of or alleged default with respect to: (a) any applicable law, rule, regulation or statute applicable to the operations of CACHE, or (b) any order, permit, certificate, writ, judgment, injunction, decree, determination, award or other decision of any court or any Government Entity to which CACHE is a party or by which CACHE is bound, which violation or default or alleged violation or default would materially and adversely affect the business of CACHE.

2.16 ENVIRONMENTAL LAW.

To the best of CACHE's knowledge, there are no material claims and complaints, made by or against CACHE during the past three years pursuant to any Environmental Law. At present, to the best of CACHE's knowledge, none of the operations of CACHE is subject to any judicial or administrative proceeding, order, judgment, decree or settlement alleging or addressing a material violation of or a material liability under any Environmental Law.

2.17 Books and Records.

ALL THE STOCK RECORDS AND MINUTE BOOKS OF CACHE SHALL BE DELIVERED TO OR MADE AVAILABLE UPON REQUEST FOR INSPECTION BY PROVIDENCE NOT LATER THAN TWO (2) BUSINESS DAYS PRIOR TO THE SCHEDULED CLOSING DATE. TO THE BEST OF CACHE'S KNOWLEDGE, SUCH STOCK RECORDS AND MINUTE BOOKS ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PROVIDENCE.

REPRESENTATIONS AND WARRANTIES SHALL BE MADE BY PROVIDENCE AND SHALL SURVIVE THE EFFECTIVE TIME FOR A PERIOD OF ONE (1) YEAR. PROVIDENCE REPRESENTS AND WARRANTS TO CACHE AS FOLLOWS:

3.1 Organization and Standing.

PROVIDENCE IS A CORPORATION DULY ORGANIZED, VALIDLY EXISTING AND IN GOOD STANDING UNDER THE LAWS OF THE STATE OF COLORADO AND IS DULY AUTHORIZED, QUALIFIED AND IN GOOD STANDING UNDER ALL APPLICABLE LAWS, REGULATIONS, ORDINANCES AND ORDERS OF PUBLIC AUTHORITIES AND HAS ALL REQUISITE CORPORATE POWER AND AUTHORITY TO OWN, LEASE AND OPERATE ITS PROPERTIES AND TO CARRY ON ITS BUSINESS AS IT IS NOW BEING CONDUCTED, EXCEPT WHERE THE FAILURE TO BE SO AUTHORIZED, QUALIFIED OR LICENSED WOULD NOT HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF PROVIDENCE TAKEN AS A WHOLE. PROVIDENCE IS DULY LICENSED OR QUALIFIED TO DO BUSINESS AS A FOREIGN CORPORATION IN EACH JURISDICTION IN WHICH THE CHARACTER OF ITS PROPERTIES, OWNED OR LEASED, OR THE NATURE OF THEIR ACTIVITIES, MAKES SUCH LICENSING OR QUALIFICATION NECESSARY, EXCEPT FOR WHERE THE FAILURE TO BE SO LICENSED AND QUALIFIED WOULD NOT HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS OF PROVIDENCE.

TRUE AND CORRECT COPIES OF THE ARTICLES OF INCORPORATION OF PROVIDENCE ARE ATTACHED HERETO AS EXHIBIT V.

3.2 AUTHORITY.

PROVIDENCE has the necessary corporate power and authority to enter into this Agreement, as well as the Transaction Documents more fully defined in Section 6.4, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Transaction Documents, and the completion of the transactions contemplated hereby and thereby have been duly authorized by corporate action of the part of the Board of Directors of PROVIDENCE , and subject to the convening of a shareholder's meeting pursuant to Sections 7-111-101-109 of the Colorado Business Corporation Act in order to approve this Agreement and the Transaction Documents, no further corporate proceedings on the part of PROVIDENCE will be necessary. When issued pursuant to this Agreement, the Shares to be issued to the CACHE stockholders on the Effective Time will be

duly authorized, validly issued, fully paid and non-assessable, and the Shares to be issued to the CACHE stockholders on the Effective Time shall be legally equivalent in all respects to the PROVIDENCE common stock issued and outstanding as of the date hereof. This Agreement has been executed and delivered by PROVIDENCE and constitutes the legal, valid and binding obligation of PROVIDENCE, enforceable in accordance with its terms. As of the Effective Time, each of the Transaction Documents will constitute a legal, valid and binding obligation of PROVIDENCE , each enforceable in accordance with its terms.

3.3 No Conflict, Default, Breach or Violation.

THE EXECUTION AND DELIVERY OF THIS AGREEMENT DOES NOT, AND THE COMPLETION OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY WILL NOT, CONFLICT WITH OR RESULT IN A BREACH OF OR THE ACCELERATION OF ANY OBLIGATION UNDER, OR CONSTITUTE A DEFAULT OR EVENT OF DEFAULT (OR EVENT WHICH WITH NOTICE OR LAPSE OF TIME OR BOTH WOULD CONSTITUTE A DEFAULT) UNDER, ANY PROVISION OF ANY CHARTER, BYLAW, INDENTURE, MORTGAGE, LIEN, LEASE, AGREEMENT, CONTRACT, ORDER, JUDGMENT, OR, TO THE BEST KNOWLEDGE OF PROVIDENCE, ANY JUDICIAL OR ADMINISTRATIVE DECREE, ORDINANCE OR REGULATION, PERMIT, LICENSE, FRANCHISE OR ANY RESTRICTION TO WHICH ANY PROPERTY OF PROVIDENCE IS SUBJECT OR BY WHICH PROVIDENCE OR ANY OF ITS SUBSIDIARIES IS BOUND, THE EFFECT OF WHICH WOULD BE MATERIALLY ADVERSE TO PROVIDENCE. PROVIDENCE IS NOT ALLEGED TO BE IN VIOLATION OR DEFAULT OR UNDER ANY APPLICABLE LAW, STATUTE, ORDER, RULE OR REGULATION PROMULGATED OR JUDGMENT ENTERED BY ANY GOVERNMENTAL ENTITY, RELATING TO OR AFFECTING THE OPERATION, CONDUCT OR OWNERSHIP OF THE PROPERTY OR BUSINESS OF PROVIDENCE WHICH VIOLATION OR DEFAULT OR ALLEGED VIOLATION OR DEFAULT WOULD HAVE A MATERIAL, ADVERSE EFFECT, ON PROVIDENCE.

3.4 Approvals.

EXCEPT FOR USUAL AND CUSTOMARY COMPLIANCE WITH THE SECURITIES ACT, THE SECURITIES OR BLUE SKY LAWS OF VARIOUS STATES, NO CONSENT, APPROVAL, ORDER OR AUTHORIZATION OF, OR REGISTRATION, DECLARATION OR FILING WITH, ANY COURT, ADMINISTRATIVE AGENCY OR COMMISSION OR OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY, DOMESTIC OR FOREIGN (A "GOVERNMENTAL ENTITY"), OR THIRD PARTY IS REQUIRED BY OR WITH RESPECT TO PROVIDENCE IN CONNECTION WITH THE EXECUTION AND DELIVERY BY PROVIDENCE OF THIS AGREEMENT, OR THE COMPLETION OF THE TRANSACTIONS CONTEMPLATED HEREBY, THE ABSENCE OF WHICH WOULD HAVE A MATERIAL ADVERSE EFFECT ON PROVIDENCE.

3.5 SEC Documents; Filings; Financial Statements.

3.5.1 PROVIDENCE has delivered to CACHE accurate and complete copies (excluding copies of exhibits) of each report, registration statement (on a form other than Form S-8) and definitive information statement filed by PROVIDENCE with the SEC between November 1, 1999 and the date of this Agreement (the "PROVIDENCE SEC Documents"). As of the time it was filed with the SEC (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the PROVIDENCE SEC Documents complied in all material respects with the

applicable requirements of the Securities Act or the Exchange Act (as the case may be); and (ii) none of the PROVIDENCE SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3.5.2 The financial statements contained in the PROVIDENCE SEC Documents: (i) complied as to form in all material respects with the published rules and regulations of the SEC applicable thereto; (ii) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered, except as may be indicated in the notes to such financial statements and (in the case of unaudited statements) as permitted by Form 10-QSB of the SEC, and except that unaudited financial statements may not contain footnotes and are subject to year-end audit adjustments; and (iii) fairly present the financial position of PROVIDENCE and its subsidiaries as of the respective dates thereof and the results of operations of PROVIDENCE and its subsidiaries for the periods covered thereby.

3.6 Information Supplied.

TO THE BEST KNOWLEDGE OF PROVIDENCE , NO WRITTEN STATEMENT, CERTIFICATE, SCHEDULE, LIST OR OTHER WRITTEN INFORMATION FURNISHED BY OR ON BEHALF OF PROVIDENCE TO CACHE ON OR PRIOR TO THE DATE HEREOF IN CONNECTION HEREWITH CONTAINS (AFTER GIVING EFFECT TO ANY CORRECTION THEREOF FURNISHED TO CACHE IN WRITING PRIOR TO THE DATE HEREOF) ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMITS OR WILL OMIT TO STATE A MATERIAL FACT REQUIRED TO BE STATED HEREIN OR THEREIN OR NECESSARY TO MAKE THE STATEMENTS HEREIN OR THEREIN, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING.

3.7 Capitalization of PROVIDENCE.

AS OF THE DATE HEREOF, THE AUTHORIZED CAPITAL STOCK OF PROVIDENCE CONSISTS OF FIFTY MILLION (50,000,000) SHARES OF COMMON STOCK, $.001 PAR VALUE, OF WHICH ONE MILLION FIVE HUNDRED THOUSAND (1,500,000) SHARES OF COMMON STOCK ARE ISSUED AND OUTSTANDING, AND FIFTY MILLION (50,000,000) SHARES OF PREFERRED STOCK, $.001 PAR VALUE, OF WHICH NONE ARE ISSUED AND OUTSTANDING. ALL OF THE ISSUED AND OUTSTANDING SHARES OF CAPITAL STOCK OF PROVIDENCE HAVE BEEN DULY AND VALIDLY AUTHORIZED AND VALIDLY ISSUED AND ARE FULLY PAID AND NON-ASSESSABLE. AS OF THE DATE HEREOF, EXCEPT AS DISCLOSED HEREIN, THERE ARE NO AUTHORIZED OR OUTSTANDING SUBSCRIPTIONS, OPTIONS, CONVERSION RIGHTS, WARRANTS OR OTHER AGREEMENTS, SECURITIES OR COMMITMENTS OF ANY NATURE WHATSOEVER (WHETHER ORAL OR WRITTEN AND WHETHER FIRM OR CONDITIONAL) OBLIGATING PROVIDENCE OR ANY OF ITS SUBSIDIARIES TO ISSUE, DELIVER OR SELL, OR CAUSE TO BE ISSUED, DELIVERED OR SOLD, TO ANY PERSON ANY SHARES OF PROVIDENCE COMMON STOCK OR ANY OTHER SHARES OF THE CAPITAL STOCK OF PROVIDENCE OR ANY SHARES OF THE CAPITAL STOCK OF ANY OF ITS SUBSIDIARIES, OR ANY SECURITIES CONVERTIBLE INTO OR EXCHANGEABLE FOR ANY SUCH SHARES, OR OBLIGATING ANY SUCH PERSON TO GRANT, EXTEND OR ENTER INTO ANY SUCH AGREEMENT OR COMMITMENT. THERE ARE NO AGREEMENTS OBLIGATING PROVIDENCE TO REDEEM, REPURCHASE OR OTHERWISE ACQUIRE THE CAPITAL STOCK OF PROVIDENCE, OR

ANY OTHER SECURITIES ISSUED BY IT, OR TO REGISTER THE SALE OF THE CAPITAL STOCK OF PROVIDENCE UNDER APPLICABLE SECURITIES LAWS. THERE ARE NO AGREEMENTS OR ARRANGEMENTS PROHIBITING OR OTHERWISE RESTRICTING THE PAYMENT OF DIVIDENDS OR DISTRIBUTIONS TO THE PROVIDENCE STOCKHOLDERS BY PROVIDENCE.

3.8 Title to Assets; Encumbrances.

3.8.1 PROVIDENCE owns its assets, whether real, personal or intangible, free and clear of all Encumbrances, except (i) liens for current taxes and assessments not yet due or being contested in good faith by appropriate proceedings, (ii) mechanic's liens arising under the operation of law or for actions contested in good faith or for which payment arrangements have been made, (iii) liens granted or incurred by PROVIDENCE in the ordinary course of its business or in connection with the financing of office space, furniture and equipment in the ordinary course of its business, (iv) easements, covenants, restrictions and other exceptions to title of record which do not materially and adversely affect the operations of PROVIDENCE, (v) such Encumbrances as do not secure indebtedness in excess of $10,000, or (vi) Encumbrances reflected in the SEC Documents;

3.8.2 Except as set forth in the Form 10-KSB for the period ended December 31, 2000 ("Form 10-K"), there are no parties in possession of any of the assets of PROVIDENCE other than PROVIDENCE, other than personal property held by third parties in the reasonable and ordinary course of business. Except as set forth in the Form 10-K, PROVIDENCE enjoys full, free and exclusive use and quiet enjoyment of its assets and all rights pertaining thereto, and PROVIDENCE enjoys peaceful and undisturbed possession under all leases under which it is lessee.

3.9 Subsidiaries.

PROVIDENCE HAS NO SUBSIDIARIES.

3.10 Litigation.

THERE IS NO SUIT, ACTION, PROCEEDING OR INVESTIGATION PENDING OR, TO THE BEST KNOWLEDGE OF PROVIDENCE, THREATENED AGAINST OR AFFECTING PROVIDENCE (OR ANY OF ITS OFFICERS OR DIRECTORS IN CONNECTION WITH THE BUSINESS OF PROVIDENCE), NOR IS THERE ANY OUTSTANDING JUDGMENT, ORDER, WRIT, INJUNCTION OR DECREE AGAINST PROVIDENCE, WHICH SUIT, ACTION, PROCEEDING OR INVESTIGATION HAD OR COULD REASONABLY BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT ON PROVIDENCE. TO THE BEST KNOWLEDGE OF PROVIDENCE: (I) THERE ARE NO FACTS UPON WHICH ANY ACTION, SUIT OR PROCEEDING COULD BE BROUGHT AGAINST PROVIDENCE THAT WOULD HAVE A MATERIAL ADVERSE EFFECT ON PROVIDENCE; AND (II) PROVIDENCE IS NOT SUBJECT TO ANY COURT ORDER, WRIT, INJUNCTION, DECREE, SETTLEMENT AGREEMENT OR JUDGMENT THAT CONTAINS OR ORDERS ANY ONGOING OBLIGATIONS, WHETHER PROHIBITORY OR MANDATORY IN NATURE, ON THE PART OF PROVIDENCE.

3.11 Environmental Law.

There are no claims, complaints or reports made by or against PROVIDENCE during the past three years pursuant to Environmental Law. At present, to the best of PROVIDENCE's knowledge, none of the operations of PROVIDENCE is subject to any judicial or administrative proceeding, order, judgment, decree or settlement alleging or addressing a material violation of or a material liability under any Environmental Law.

3.12 Absence of Undisclosed Liabilities.

PROVIDENCE HAS NO LIABILITIES OR OBLIGATIONS, EITHER ACCRUED, ABSOLUTE, CONTINGENT, OR OTHERWISE, REQUIRED TO BE BUT NOT REFLECTED OR RESERVED AGAINST IN THE PROVIDENCE FINANCIALS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, EXCEPT THOSE INCURRED IN THE ORDINARY COURSE OF BUSINESS, AND PROVIDENCE KNOWS OF NO POTENTIAL LIABILITY THAT WOULD RESULT IN A MATERIAL ADVERSE EFFECT ON THE VALUE OR BUSINESS OF PROVIDENCE.

3.13 Financial Statements.

PROVIDENCE HAS FURNISHED TO CACHE TRUE, COMPLETE AND CORRECT COPIES OF THE AUDITED FINANCIAL STATEMENTS OF PROVIDENCE, AT AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000 (THESE FINANCIAL STATEMENTS BEING COLLECTIVELY REFERRED TO HEREIN AS THE "PROVIDENCE FINANCIALS"). THE PROVIDENCE FINANCIALS WILL BE IN ACCORDANCE WITH THE BOOKS AND RECORDS OF PROVIDENCE, COMPLY AS TO FORM IN ALL MATERIAL RESPECTS WITH APPLICABLE ACCOUNTING REQUIREMENTS, HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A CONSISTENT BASIS DURING THE PERIODS INVOLVED (EXCEPT AS MAY BE INDICATED IN THE NOTES THERETO) AND FAIRLY PRESENT THE FINANCIAL POSITION OF PROVIDENCE AS AT THE DATE THEREOF. SINCE DECEMBER 31, 2000, THERE HAS NOT BEEN, OCCURRED OR ARISEN (A) ANY MATERIAL ADVERSE CHANGE IN THE BUSINESS OR THE FINANCIAL CONDITION OF PROVIDENCE FROM THAT SHOWN ON THE AFOREMENTIONED BALANCE SHEET AS OF DECEMBER 31, 2000, OR (B) ANY EVENT, CONDITION OR STATE OF FACTS OF ANY CHARACTER WHICH, TO THE BEST OF THE KNOWLEDGE OF PROVIDENCE, MATERIALLY AND ADVERSELY AFFECTS, OR THREATENS TO MATERIALLY AND ADVERSELY AFFECT, THE BUSINESS OR RESULTS OF OPERATIONS OR FINANCIAL CONDITION OF PROVIDENCE.

3.14 Contracts.

THERE ARE NO CONTRACTS, AGREEMENTS, BENEFIT PLANS, INSURANCE POLICIES, COLLECTIVE BARGAINING AGREEMENTS AND COMMITMENTS OF PROVIDENCE, WHETHER OR NOT MADE IN THE ORDINARY COURSE OF BUSINESS, INCLUDING LEASES UNDER WHICH PROVIDENCE IS LESSOR OR LESSEE, WHICH ARE TO BE PERFORMED IN WHOLE OR IN PART AFTER THE EFFECTIVE TIME, OTHER THAN AN AGREEMENT WITH NADEAU AND SIMMONS, P.C. REFERRED TO IN SECTION 6.8 OF THIS AGREEMENT.

3.15 Taxes and Returns.

3.15.1 PROVIDENCE has (i) filed all tax returns and reports required to be filed by it and (ii) paid all taxes, assessments and governmental charges and penalties which it has incurred and which have become due and payable, except such as are being or may be contested in good faith by appropriate

proceedings or relate to the fiscal year ended December 31, 2000. PROVIDENCE is not delinquent in the payment of any material tax, assessment or governmental charge, and no deficiencies for any taxes have been proposed, asserted, or formally assessed against PROVIDENCE, and no requests for waivers of the time to assess any such tax are pending, the PROVIDENCE Financials reflect an adequate accrual, based on the facts and circumstances existing as of the date hereof, for all material taxes payable by PROVIDENCE (whether or not shown in any return) through the date thereof. All tax returns and taxes for periods after December 31, 2000 have or will be filed and paid by PROVIDENCE on a timely basis, unless said taxes are being contested in good faith by appropriate proceedings.

3.15.2 For the purposes of this Agreement, the term "tax" (including, with correlative meaning, the terms "taxes" and "taxable") shall include all federal, state, local and foreign income, profits, franchise, gross receipt, payroll, estimated sales, employment, use, property, withholding, excise and other taxes, duties or assessments of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts.

3.16 Compliance with Law.

TO THE BEST KNOWLEDGE OF PROVIDENCE, PROVIDENCE IS IN COMPLIANCE WITH AND IS NOT IN VIOLATION OF OR IN DEFAULT WITH RESPECT TO, OR IN ALLEGED VIOLATION OF OR ALLEGED DEFAULT WITH RESPECT TO: (A) ANY APPLICABLE LAW, RULE, REGULATION OR STATUTE APPLICABLE TO THE OPERATIONS OF PROVIDENCE, OR (B) ANY ORDER, PERMIT, CERTIFICATE, WRIT, JUDGMENT, INJUNCTION, DECREE, DETERMINATION, AWARD OR OTHER DECISION OF ANY COURT OR ANY GOVERNMENT ENTITY TO WHICH PROVIDENCE IS A PARTY OR BY WHICH PROVIDENCE IS BOUND, WHICH VIOLATION OR DEFAULT OR ALLEGED VIOLATION OR DEFAULT WOULD MATERIALLY AND ADVERSELY AFFECT THE BUSINESS, OPERATIONS, AFFAIRS, PROSPECTS, PROPERTIES, ASSETS, PROFITS OR CONDITION OF PROVIDENCE . TO THE BEST KNOWLEDGE OF PROVIDENCE, PROVIDENCE IS NOT DELINQUENT WITH RESPECT TO (A) ANY REPORT REQUIRED TO BE FILED WITH ANY GOVERNMENTAL ENTITY OR (B) THE PREPARATION AND DELIVERY OF ANY REPORTS REQUIRED BY PRIVATE AGREEMENTS TO WHICH PROVIDENCE IS A PARTY, WHICH DELINQUENCY MIGHT MATERIALLY AND ADVERSELY AFFECT THE BUSINESS, OPERATIONS, AFFAIRS, PROSPECTS, PROPERTIES, ASSETS, PROFITS, CONDITIONS OF PROVIDENCE.

3.17 Intellectual Property.

PROVIDENCE HAS NO LETTERS OF PATENT, PATENT APPLICATIONS, INVENTIONS UPON WHICH PATENT APPLICATIONS HAVE NOT YET BEEN FILED, TRADE NAMES, TRADEMARKS, TRADEMARK REGISTRATIONS AND APPLICATIONS, COPYRIGHTS, COPYRIGHT REGISTRATIONS AND APPLICATIONS, BOTH DOMESTIC AND FOREIGN, PRESENTLY OWNED, POSSESSED, USED OR HELD BY PROVIDENCE.

3.18 Brokers' or Finders' Fees.

NO AGENT, BROKER, PERSON OR FIRM ACTING ON BEHALF OF PROVIDENCE OR UNDER ITS AUTHORITY IS OR WILL BE ENTITLED TO ANY COMMISSION, BROKER, FINDER, OR

FINANCIAL ADVISORY FEES FROM ANY OF THE PARTIES HERETO IN CONNECTION WITH ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.

ARTICLE IX

OBLIGATIONS PENDING EFFECTIVE TIME

4.1 Agreements of CACHE.

CACHE AGREES THAT FROM THE DATE HEREOF TO AND THROUGH THE EFFECTIVE TIME, CACHE WILL:

4.1.1 CORPORATE APPROVALS.

Use its best efforts for the purpose of authorizing and obtaining the consent of the CACHE shareholders to this Agreement and the merger contemplated hereby.

4.1.2 MAINTENANCE OF PRESENT BUSINESS.

Except as contemplated by this Agreement, CACHE shall operate its business only in the usual, regular, and ordinary manner so as to maintain the goodwill it now enjoys and, to the extent consistent with such operation, use all reasonable efforts to preserve intact its present business organization, keep available the services of its present officers and employees, and preserve its relationship with all material customers, suppliers, jobbers, distributors, and others having business dealings with it. If CACHE proposes to secure a waiver of this covenant from PROVIDENCE with respect to a particular transaction, CACHE shall be deemed in compliance with this covenant if the President of PROVIDENCE or his successor does not deliver to CACHE his objection in writing to any action described in such waiver request within 72 hours of receiving notice of such waiver request from CACHE.

4.1.3 MAINTENANCE OF PROPERTIES.

At its expense, maintain all of its property and assets in customary (for CACHE) repair, order, and condition, reasonable wear and use and damage by fire or unavoidable casualty excepted.

4.1.4 MAINTENANCE OF BOOKS AND RECORDS.

Maintain its books of account and records in the usual, regular, and ordinary manner, in accordance with generally accepted accounting principles applied on a consistent basis.

4.1.5 COMPLIANCE WITH LAW.

Continue to conduct its activities in a manner consistent with its current understanding of the laws applicable to it, unless and until it receives

written notice from a Governmental Entity that it is not in compliance with a particular law or laws, at which time CACHE will modify its conduct to comply with such law or laws.

4.1.6 INSPECTION.

Allow PROVIDENCE, its directors, officers and authorized representatives, during normal business hours, to inspect its records and to consult with its officers, employees, attorneys, and agents for the purpose of determining the accuracy of the representations and warranties made, and the compliance with covenants contained, in this Agreement. PROVIDENCE agrees that it and its officers and representatives shall hold all data and information obtained with respect to CACHE in strict confidence, and further agrees that it will not use such data or information or disclose the same to others, except to the extent such data or information either is, or becomes, published or a matter of public knowledge.

PROVIDENCE and CACHE agree that they will not issue any press release or other disclosure of this Agreement without the prior approval of the other, which shall not be unreasonably withheld, unless, in the good faith opinion of counsel, such disclosure is required by law and time does not permit the obtaining of such consent, or such consent is withheld.

In the event of a breach or threatened breach by PROVIDENCE or its officers or representatives of the provision of this Section, CACHE shall be entitled, in addition to any other available remedy, to an injunction restraining any disclosure by PROVIDENCE, or its officers or representatives of any of such confidential information.

4.1.7 PROHIBITION OF CERTAIN CONTRACTS.

Except as contemplated herein with respect to the Debentures and with respect to obtaining up to $350,000 of additional borrowing from eCom Corporation ("eCom"), not enter into any contracts outside of the ordinary course of business without the prior written consent of PROVIDENCE, which consent will not be unreasonably withheld. If CACHE proposes to secure a waiver of this covenant from PROVIDENCE with respect to a particular transaction, CACHE shall be deemed in compliance with this covenant if the President of PROVIDENCE or his successor does not deliver to CACHE his objection in writing to any action described in such waiver request within 72 hours of receiving notice of such waiver request from CACHE.

4.1.8 PROHIBITION OF LOANS.

Except as contemplated herein with respect to the Debentures and with respect to obtaining up to $350,000 of additional borrowing from eCom, not incur any borrowings, except in the usual and ordinary course of business, without the prior written consent of PROVIDENCE, which consent will not be unreasonably withheld.

4.1.9 PROHIBITION OF CERTAIN COMMITMENTS.

Except as contemplated herein with respect to the Debentures, not enter into a commitment for expenditures or incur any liability exceeding $25,000, in the aggregate, except (i) as may be necessary or desirable for the maintenance of existing facilities, machinery and equipment in the ordinary course of business or in connection with measures taken to effect the Merger, as described herein, (ii) as in otherwise consented to in writing by PROVIDENCE, or (iii) as may otherwise be in the ordinary course of business.

4.1.10 DISPOSAL OF ASSETS.

Not sell, dispose of, or encumber, any property or assets, except (i) in the usual and ordinary course of business; or (ii) as is otherwise consented to in writing by PROVIDENCE or authorized hereunder.

4.1.11 MAINTENANCE OF INSURANCE.

Keep in full force and effect present insurance policies or other comparable coverage on all its properties.

4.1.12 NO AMENDMENT TO ARTICLES OF INCORPORATION.

Not amend its Articles of incorporation or merge or consolidate with or into any other corporation or change in any manner the rights of its capital stock or the character of its business.

4.1.13 NO ISSUANCE, SALE, OR PURCHASE OF SECURITIES.

Except as contemplated by this Agreement or subject to an agreement described herein or in the Disclosure Schedule, not issue or sell, or issue options or rights to subscribe to, or enter into any contract or commitment to issue or sell (upon conversion or otherwise), any shares of its capital stock, or subdivide or in any way reclassify any shares of its capital stock, or acquire, or agree to acquire, any shares of its capital stock.

4.1.14 PROHIBITION OF DIVIDENDS.

Not declare or pay any dividend on shares of its capital stock or make any other distribution of assets to the holders thereof.

4.1.15 NOTICE OF MATERIAL DEVELOPMENTS.

Promptly notify PROVIDENCE in writing of any material adverse change in, or any changes which in the aggregate would likely result in a material adverse change in, the business, properties, condition (financial or otherwise) or results of operations of CACHE, whether or not occurring in the usual and ordinary course of its business, but only to the extent CACHE has actual knowledge of any such changes.

4.2 Agreements of PROVIDENCE.

PROVIDENCE AGREES THAT FROM THE DATE HEREOF TO THE EFFECTIVE TIME, IT WILL:

4.2.1 CORPORATE APPROVALS.

Call and hold a meeting of its shareholders to approve the Merger contemplated herein.

4.2.2 MAINTENANCE OF PRESENT BUSINESS.

Except as contemplated by this Agreement, operate no business.

4.2.3 MAINTENANCE OF BOOKS AND RECORDS.

Maintain the books of account and records of PROVIDENCE and each of its subsidiaries in the usual, regular, and ordinary manner, in accordance with generally accepted accounting principles applied on a consistent basis.

4.2.4 COMPLIANCE WITH LAW.

Continue to conduct its activities in a manner consistent with PROVIDENCE's current understanding of the laws applicable to its, unless and until PROVIDENCE receives written notice from a Government Entity that it is not in compliance with a particular law or laws, at which time PROVIDENCE will again comply with such law or laws.

4.2.5 INSPECTION.

Allow CACHE and its directors, officers and authorized representatives, during normal business hours, to inspect its records and to consult with its officers, employees, attorneys, and agents for the purpose of determining the accuracy of the representations and warranties made, and the compliance with covenants contained, in this Agreement. CACHE agrees that it and its officers and representatives shall hold all data and information obtained with respect to the other parties hereto in strict confidence, and each further agrees that it will not use such data or information or disclose the same to others, except to the extent such data or information either is, or becomes, published or a matter of public knowledge. In the event of a breach or threatened breach by CACHE or its officers or representatives of the provisions of this Section, PROVIDENCE shall be entitled, in addition to any other available remedy, to an injunction restraining any disclosure by CACHE or its officers or representatives of any of such confidential information.

4.2.6 PROHIBITION OF CONTRACTS.

Except as contemplated by this Agreement, PROVIDENCE shall not enter into any contract.

4.2.7 PROHIBITION OF INDEBTEDNESS.

PROVIDENCE shall not incur any indebtedness of any kind or nature.

4.2.8 DISPOSAL OF ASSETS.

PROVIDENCE shall not dispose of any assets.

4.2.9 MAINTENANCE OF INSURANCE.

Keep in full force and effect present insurance policies or other comparable coverage on all of the assets of PROVIDENCE and all of its subsidiaries.

4.2.10 NO AMENDMENTS TO ARTICLES OF INCORPORATION.

Not amend its Articles of Incorporation, or merge into any other corporation.

4.2.11 NOTICE OF MATERIAL DEVELOPMENTS.

Promptly notify CACHE in writing of any Material Adverse Change in, or any changes which in the aggregate would likely result in a Material Adverse Change in, the business, properties, condition (financial or otherwise), results of operations or prospects of PROVIDENCE or any of its subsidiaries, whether or not occurring in the usual and ordinary course of business, but only to the extent PROVIDENCE or any of such subsidiaries has actual knowledge of any such changes.

4.2.12 PERFORMANCE OF CONTRACTS.

Perform or cause to be performed all material obligations of PROVIDENCE under agreements relating to or affecting its assets, properties or rights.

ARTICLE V

ADDITIONAL COVENANTS OF THE PARTIES

5.1 Filings and Consents.

AS PROMPTLY AS PRACTICABLE AFTER THE EXECUTION OF THIS AGREEMENT, EACH PARTY TO THIS AGREEMENT (A) SHALL MAKE ALL FILINGS (IF ANY) AND GIVE ALL NOTICES (IF ANY) REQUIRED TO BE MADE AND GIVEN BY SUCH PARTY IN CONNECTION WITH THE MERGER AND (B) SHALL USE ALL COMMERCIALLY REASONABLE EFFORTS TO OBTAIN ALL CONSENTS (IF ANY) REQUIRED TO BE OBTAINED (PURSUANT TO ANY APPLICABLE LEGAL REQUIREMENT OR CONTRACT, OR OTHERWISE) BY SUCH PARTY IN CONNECTION WITH THE MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OTHER THAN THOSE CONSENTS IDENTIFIED ON SECTION 2.4 OF THE DISCLOSURE SCHEDULE. PROVIDENCE SHALL (UPON REQUEST) PROMPTLY DELIVER TO CACHE A COPY OF EACH SUCH FILING MADE, EACH SUCH NOTICE GIVEN AND EACH SUCH CONSENT OBTAINED BY CACHE DURING THE PERIOD PRIOR TO CLOSING.

5.2 Public Announcements.

After the date hereof, each party shall not (and each party shall not permit any of its Representatives to) issue any press release or make any public statement regarding this Agreement or the Merger, or regarding any of the other transactions contemplated by this Agreement, without the other party's prior written consent.

5.3 Best Efforts.

DURING THE PERIOD PRIOR TO CLOSING, PROVIDENCE, AND CACHE SHALL USE THEIR BEST EFFORTS TO CAUSE THE CONDITIONS SET FORTH IN ARTICLE 6 TO BE SATISFIED ON A TIMELY BASIS.

5.4 Investment Representation Letter.

AT THE CLOSING, EACH OF THE CACHE SHAREHOLDERS SHALL EXECUTE AND DELIVER TO CACHE AN INVESTMENT REPRESENTATION LETTER IN THE FORM ATTACHED HERETO AT EXHIBIT VI (AN "INVESTMENT REPRESENTATION LETTER").

ARTICLE VI

CONDITIONS PRECEDENT TO OBLIGATIONS OF PROVIDENCE AND CACHE

THE OBLIGATIONS OF PROVIDENCE, AND CACHE TO EFFECT THE MERGER AND OTHERWISE CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT ARE SUBJECT TO THE SATISFACTION, AT OR PRIOR TO THE CLOSING, OF EACH OF THE FOLLOWING CONDITIONS, UNLESS ANY SUCH CONDITION IS WAIVED IN WRITING BY THE PARTY NOT REQUIRED TO PERFORM SUCH CONDITION OTHER THAN THE CONDITIONS SET FORTH IN SECTION 6.4(II) WHICH CAN ONLY BE WAIVED BY CACHE AND CANNOT BE WAIVED BY PROVIDENCE:

6.1 Accuracy of Representations.

EACH OF THE REPRESENTATIONS AND WARRANTIES MADE BY PROVIDENCE AND CACHE IN THIS AGREEMENT AND IN EACH OF THE TRANSACTION DOCUMENTS AND INSTRUMENTS DELIVERED TO PROVIDENCE AND CACHE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT SHALL HAVE BEEN ACCURATE IN ALL MATERIAL RESPECTS AS OF THE DATE OF THIS AGREEMENT (WITHOUT GIVING EFFECT TO ANY MATERIAL ADVERSE EFFECT OR OTHER MATERIALITY QUALIFICATIONS, OR ANY SIMILAR QUALIFICATIONS, CONTAINED OR INCORPORATED DIRECTLY OR INDIRECTLY IN SUCH REPRESENTATIONS AND WARRANTIES), AND SHALL BE ACCURATE IN ALL MATERIAL RESPECTS AS OF THE CLOSING DATE AS IF MADE AT THE CLOSING DATE (WITHOUT GIVING EFFECT TO ANY UPDATE TO THE DISCLOSURE SCHEDULE, AND WITHOUT GIVING EFFECT TO ANY MATERIAL ADVERSE EFFECT OR OTHER MATERIALITY QUALIFICATIONS, OR ANY SIMILAR QUALIFICATIONS, CONTAINED OR INCORPORATED DIRECTLY OR INDIRECTLY IN SUCH REPRESENTATIONS AND WARRANTIES).

6.2 Performance of Covenants.

ALL OF THE COVENANTS AND OBLIGATIONS THAT PROVIDENCE AND CACHE ARE REQUIRED TO COMPLY WITH OR TO PERFORM AT OR PRIOR TO THE CLOSING SHALL HAVE BEEN

COMPLIED WITH AND PERFORMED IN ALL RESPECTS.

6.3 Consents.

ALL CONSENTS REQUIRED TO BE OBTAINED IN CONNECTION WITH THE MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT SHALL HAVE BEEN OBTAINED AND SHALL BE IN FULL FORCE AND EFFECT.

6.4 Agreements and Documents.

PROVIDENCE AND CACHE SHALL HAVE RECEIVED THE FOLLOWING AGREEMENTS AND DOCUMENTS (HEREIN REFERRED TO AS "TRANSACTION DOCUMENTS"), EACH OF WHICH WILL BE IN FULL FORCE AND EFFECT AS OF THE EFFECTIVE TIME:

(i) ARTICLES OF MERGER:

(ii) DOCUMENTS INDICATING THAT PROVIDENCE HAS RECEIVED, OR HAS RECEIVED A BINDING COMMITMENT FOR, THE EQUITY FINANCING;

(iii) INVESTMENT REPRESENTATION LETTERS EXECUTED BY EACH OF THE CACHE SHAREHOLDERS;

(iv) LEGAL OPINIONS OF NADEAU & SIMMONS, P.C., DATED AS OF THE CLOSING DATE, OUTSTANDING IN THE FORMS ATTACHED HERETO AT EXHIBIT VII;

(v) A certificate executed by both parties and containing the representation and warranty of each party that each of the representations and warranties set forth in Section 2 and 3 are accurate in all respects as of the Closing Date as if made on the Closing Date and that the conditions (unless waived) set forth in Section 6 have been duly satisfied (the "Closing Certificate");

(vi) Written resignations of all officers and directors of PROVIDENCE, effective as of the Effective Time;

(vii) Agreement with Brennan Dyer and Company, LLC to provide investment banking services for one year after the Effective Time; and

(viii) An Information Statement prepared in accordance with Regulation 14C shall have been filed with the SEC and sent to the PROVIDENCE stockholders at least 20 days prior to the meeting of the PROVIDENCE stockholders called to approve this Agreement and the Merger.

6.5 No Restraints.

NO TEMPORARY RESTRAINING ORDER, PRELIMINARY OR PERMANENT INJUNCTION OR OTHER ORDER PREVENTING THE CONSUMMATION OF THE MERGER SHALL HAVE BEEN ISSUED BY ANY COURT OF COMPETENT JURISDICTION AND REMAIN IN EFFECT, AND THERE SHALL NOT BE ANY LEGAL REQUIREMENT ENACTED OR DEEMED APPLICABLE TO

THE MERGER THAT MAKES CONSUMMATION OF THE MERGER ILLEGAL.

6.6 No Legal Proceedings.

NO PERSON SHALL HAVE COMMENCED OR THREATENED TO COMMENCE ANY LEGAL PROCEEDING CHALLENGING OR SEEKING THE RECOVERY OF A MATERIAL AMOUNT OF DAMAGES IN CONNECTION WITH THE MERGER OR SEEKING TO PROHIBIT OR LIMIT THE EXERCISE BY PROVIDENCE OF ANY MATERIAL RIGHT PERTAINING TO ITS OWNERSHIP OF THE ASSETS OF CACHE.

6.7 Employees.

NO MORE THAN ONE OF THE INDIVIDUALS IDENTIFIED ON EXHIBIT VIII SHALL HAVE CEASED TO BE EMPLOYED BY, OR EXPRESSED AN INTENTION TO TERMINATE THEIR EMPLOYMENT WITH, CACHE.

6.8 Legal Services.

Mark T. Thatcher, Of Counsel to Nadeau & Simmons, P.C., shall provide legal services, without additional consideration, with respect to the SEC filings listed below, and any amendments thereto, by the Surviving Corporation after the Effective Time:

(i) Form 8-K regarding the Merger;
(ii) Initial Form 13-Ds for all persons reporting under Section 13 of the Exchange Act;
(iii) Initial Form 3's for all persons reporting under Section 16 of the Exchange Act;
(iv) Form 10-QSQ and 10-KSB for first reporting year following the Effective Time; and
(v) Form SB-2, or similar registration statement, filed for establishing trading in the common stock of the Surviving Corporation.

6.9 Balance Sheet.

The balance sheet of PROVIDENCE shall show no liabilities.

6.10 Investment Banking Services Agreement Shares.

SIXTY ONE THOUSAND ONE HUNDRED NINETY TWO (61,192) PROVIDENCE SHARES SHALL BE ISSUED TO SWARTZ INSTITUTIONAL FINANCE IN ACCORDANCE WITH THE INVESTMENT BANKING SERVICES AGREEMENT IN EXHIBIT XI.

ARTICLE VII

TERMINATION

7.1 Termination Events.

THIS AGREEMENT MAY BE TERMINATED PRIOR TO THE CLOSING:

(A) by PROVIDENCE if PROVIDENCE reasonably determines that the timely satisfaction of any condition set forth in Section 6 has become impossible (other than as a result of any failure on the part of PROVIDENCE to comply with or perform any covenant or obligation of PROVIDENCE set forth in this Agreement);

(B) by CACHE if CACHE reasonably determines that the timely satisfaction of any condition set forth in Section 6 has become impossible (other than as a result of any failure on the part of CACHE to comply with or perform any covenant or obligation set forth in this Agreement or in any other agreement or instrument delivered to PROVIDENCE);

(C) by PROVIDENCE at or after the Scheduled Closing Time if any condition set forth in Section 6 has not been satisfied or waived by the Scheduled Closing Time;

(D) by CACHE at or after the Scheduled Closing Time if any condition set forth in Section 6 has not been satisfied or waived by the Scheduled Closing Time;

(E) by PROVIDENCE if the Closing has not taken place on or before July 31, 2001 (other than as a result of any failure on the part of PROVIDENCE to comply with or perform any covenant or obligation of PROVIDENCE set forth in this Agreement);

(F) by CACHE if the Closing has not taken place on or before July 31, 2001 (other than as a result of the failure on the part of CACHE to comply with or perform any covenant or obligation set forth in this Agreement or in any other agreement or instrument delivered to PROVIDENCE); or

(G) by the mutual consent of PROVIDENCE and CACHE.

7.2 Termination Procedures.

IF PROVIDENCE WISHES TO TERMINATE THIS AGREEMENT PURSUANT TO SECTION 7:1(A), SECTION 7:1(C) OR SECTION 7:1(E), PROVIDENCE SHALL DELIVER TO CACHE A WRITTEN NOTICE STATING THAT PROVIDENCE IS TERMINATING THIS AGREEMENT AND SETTING FORTH A BRIEF DESCRIPTION OF THE BASIS ON WHICH PROVIDENCE IS TERMINATING THIS AGREEMENT. IF CACHE WISHES TO TERMINATE THIS AGREEMENT PURSUANT TO SECTION 7:1(B), SECTION 7:1(D) OR SECTION 7:1(F), CACHE SHALL DELIVER TO PROVIDENCE A WRITTEN NOTICE STATING THAT CACHE IS TERMINATING THIS AGREEMENT AND SETTING FORTH A BRIEF DESCRIPTION OF THE BASIS ON WHICH CACHE IS TERMINATING THIS AGREEMENT.

7.3 Effect of Termination.

IF THIS AGREEMENT IS TERMINATED PURSUANT TO SECTION 7:1, ALL FURTHER OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL TERMINATE; PROVIDED, HOWEVER, that: (a) neither CACHE nor PROVIDENCE shall be relieved of any

obligation or liability arising from any prior breach by such party of any provision of this Agreement; (b) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Section 9.2; and (c) PROVIDENCE and CACHE shall, in all events, remain bound by and continue to be subject to Section 5:2.

ARTICLE VIII

INDEMNIFICATION

8.1 Survival of Representations, Etc.

(A) The representations and warranties made by PROVIDENCE, and CACHE (including the representations and warranties set forth in Sections 2 and 3, shall survive the Effective Time for a period of one (1) year, PROVIDED, HOWEVER, that if, at any time prior to the first anniversary of the Closing Date, any Indemnitee (acting in good faith) delivers to either party a written notice alleging the existence of an inaccuracy in or a breach of any of the representations and warranties made by either party (and setting forth in reasonable detail the basis for such Indemnitee's belief that such an inaccuracy or breach may exist) and asserting a claim for recovery under Section 8.2 based on such alleged inaccuracy or breach, then the claim asserted in such notice shall survive the first anniversary of the Closing until such time as such claim is fully and finally resolved. Notwithstanding the foregoing, the representations and warranties set forth in Section 2.14 shall survive until the expiration of the applicable statutes of limitations, including extensions thereof.

(B) The representations, warranties, covenants and obligations of PROVIDENCE, and CACHE, and the rights and remedies that may be exercised by either party, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of either party or any of their Representatives.

(C) For purposes of this Agreement, each statement or other item of information set forth in the Disclosure Schedule or in any update to the Disclosure Schedule shall be deemed to be a representation and warranty made by PROVIDENCE or CACHE in this Agreement.

8.2 Cross Indemnification.

FROM AND AFTER THE EFFECTIVE TIME (BUT SUBJECT TO SECTION 8.1(A)), PROVIDENCE AND CACHE SHALL HOLD HARMLESS AND INDEMNIFY EACH OTHER FROM AND AGAINST, AND SHALL COMPENSATE AND REIMBURSE THE OTHER PARTY FOR, ANY DAMAGES WHICH ARE DIRECTLY OR INDIRECTLY SUFFERED OR INCURRED BY EITHER PARTY OR TO WHICH EITHER PARTY MAY OTHERWISE BECOME SUBJECT (REGARDLESS OF WHETHER OR NOT SUCH DAMAGES RELATE TO ANY THIRD-PARTY CLAIM) AND WHICH ARISE FROM OR AS A RESULT OF, OR ARE DIRECTLY OR INDIRECTLY CONNECTED WITH: (I) ANY INACCURACY IN OR BREACH OF ANY REPRESENTATION OR WARRANTY SET FORTH IN SECTIONS 2 OR 3 (WITHOUT GIVING EFFECT TO ANY MATERIAL ADVERSE EFFECT OR

OTHER MATERIALITY QUALIFICATION OR ANY SIMILAR QUALIFICATION CONTAINED OR INCORPORATED DIRECTLY OR INDIRECTLY IN SUCH REPRESENTATION OR WARRANTY, BUT GIVING EFFECT TO ANY UPDATE TO THE DISCLOSURE SCHEDULE DELIVERED BY PROVIDENCE AND CACHE PRIOR TO THE CLOSING); (II) ANY BREACH OF ANY COVENANT OR OBLIGATION OF PROVIDENCE, OR CACHE (INCLUDING THE COVENANTS SET FORTH IN SECTIONS 4 AND 5); OR (III) ANY LEGAL PROCEEDING RELATING TO ANY INACCURACY OR BREACH OF THE TYPE REFERRED TO IN CLAUSE "(I)" OR "(II)" ABOVE (INCLUDING ANY LEGAL PROCEEDING COMMENCED BY ANY INDEMNITEE FOR THE PURPOSE OF ENFORCING ANY OF ITS RIGHTS UNDER THIS SECTION 8).

8.3 Threshold; Ceiling.

PROVIDENCE or CACHE shall not be required to make any indemnification payment pursuant to Section 8.2(a) for any inaccuracy in or breach of any of their representations and warranties set forth in Sections 2 and 3 until such time as the total amount of all Damages (including the Damages arising from such inaccuracy or breach and all other Damages arising from any other inaccuracies in or breaches of any representations or warranties) that have been directly or indirectly suffered or incurred by the other party, exceeds $10,000 in the aggregate. (If the total amount of such Damages exceeds $10,000, then the Indemnitee shall be entitled to be indemnified against and compensated and reimbursed for all of such Damages, including claims for Damages included in the initial $10,000.

8.4 No Contribution.

PROVIDENCE AND CACHE WAIVE, ACKNOWLEDGE AND AGREE THAT THEY SHALL NOT HAVE AND SHALL NOT EXERCISE OR ASSERT (OR ATTEMPT TO EXERCISE OR ASSERT), ANY RIGHT OF CONTRIBUTION, RIGHT OF INDEMNITY OR OTHER RIGHT OR REMEDY AGAINST EACH OTHER IN CONNECTION WITH ANY THIRD PARTY INDEMNIFICATION OBLIGATION OR ANY OTHER LIABILITY TO WHICH EITHER PARTY MAY BECOME SUBJECT UNDER OR IN CONNECTION WITH THIS AGREEMENT.

8.5 Interest.

ANY PARTY WHO IS REQUIRED TO HOLD HARMLESS, INDEMNIFY, COMPENSATE OR REIMBURSE ANY INDEMNITEE PURSUANT TO THIS SECTION 8 WITH RESPECT TO ANY DAMAGES SHALL ALSO BE LIABLE TO SUCH INDEMNITEE FOR INTEREST ON THE AMOUNT OF SUCH DAMAGES (FOR THE PERIOD COMMENCING AS OF THE DATE ON WHICH INDEMNIFYING PARTY FIRST RECEIVED NOTICE OF A CLAIM FOR RECOVERY BY SUCH INDEMNITEE AND ENDING ON THE DATE ON WHICH THE LIABILITY OF SUCH INDEMNIFYING PARTY TO SUCH INDEMNITEE IS FULLY SATISFIED BY SUCH INDEMNIFYING PARTY) AT A FLOATING RATE EQUAL TO THE RATE OF INTEREST PUBLICLY ANNOUNCED BY BANK OF AMERICA, N.T. & S.A. FROM TIME TO TIME AS ITS PRIME, BASE OR REFERENCE RATE.

8.6 Defense of Third Party Claims.

IN THE EVENT OF THE ASSERTION OR COMMENCEMENT BY ANY PERSON OF ANY CLAIM OR LEGAL PROCEEDING (WHETHER AGAINST PROVIDENCE, OR CACHE) WITH RESPECT TO WHICH EITHER PARTY MAY BECOME OBLIGATED TO HOLD HARMLESS, INDEMNIFY,

COMPENSATE OR REIMBURSE ANY THIRD PARTY INDEMNITEE PURSUANT TO THIS SECTION 8, SUCH PARTY SHALL HAVE THE RIGHT, AT ITS ELECTION, TO PROCEED WITH THE DEFENSE OF SUCH CLAIM OR LEGAL PROCEEDING ON ITS OWN.

ARTICLE IX

MISCELLANEOUS PROVISIONS

9.1 Further Assurances.

EACH PARTY HERETO SHALL EXECUTE AND CAUSE TO BE DELIVERED TO EACH OTHER PARTY HERETO SUCH INSTRUMENTS AND OTHER DOCUMENTS, AND SHALL TAKE SUCH OTHER ACTIONS, AS SUCH OTHER PARTY MAY REASONABLY REQUEST (PRIOR TO, AT OR AFTER THE CLOSING) FOR THE PURPOSE OF CARRYING OUT OR EVIDENCING ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

9.2 Fees and Expenses.

IF THE CACHE MERGER IS NOT CONSUMMATED FOR ANY REASON WHATSOEVER, EACH PARTY TO THIS AGREEMENT SHALL BEAR AND PAY ALL FEES, COSTS AND EXPENSES (INCLUDING LEGAL FEES AND ACCOUNTING FEES) ("FEES AND EXPENSES") THAT HAVE BEEN INCURRED OR THAT ARE INCURRED BY SUCH PARTY IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. IF THE CACHE MERGER IS CONSUMMATED, THE SURVIVING CORPORATION SHALL PAY ALL FEES AND EXPENSES OF PROVIDENCE AND CACHE.

9.3 Attorneys' Fees.

IF ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE ENFORCEMENT OF ANY PROVISION OF THIS AGREEMENT IS BROUGHT AGAINST ANY PARTY HERETO, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER REASONABLE ATTORNEYS' FEES, COSTS AND DISBURSEMENTS (IN ADDITION TO ANY OTHER RELIEF TO WHICH THE PREVAILING PARTY MAY BE ENTITLED).

9.4 Notices.

ALL NOTICES AND OTHER COMMUNICATIONS REQUIRED OR PERMITTED UNDER THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE IN WRITING AND SHALL BE DEEMED TO HAVE BEEN DULY GIVEN, MADE AND RECEIVED ON THE DATE WHEN DELIVERED BY HAND DELIVERY WITH RECEIPT ACKNOWLEDGED, OR UPON THE NEXT BUSINESS DAY FOLLOWING RECEIPT OF FACSIMILE TRANSMISSION, OR UPON THE FIFTH DAY AFTER DEPOSIT IN THE UNITED STATES MAIL, REGISTERED OR CERTIFIED WITH POSTAGE PREPAID, RETURN RECEIPT REQUESTED, ADDRESSED AS SET FORTH BELOW:

(A) If to PROVIDENCE:

1250 Turks Head Building
Providence, RI 02903

Attention: Mark T. Thatcher
Telephone: 401-272-5800

Facsimile: 401-272-5858

with a copy (not constituting notice) to:

Nadeau & Simmons, P.C.
56 Pine Street, Penthouse
Providence, RI 02903

Attention: Adam S. Clavell, Esq.
Telephone: 401-272-5800
Facsimile: 401-272-5858

James H. Brennan, III
Brennan Dyer & Company, LLC
735 Broad Street, Suite 800
Chattanooga, TN 37402
(423) 265-5062

(B) If to CACHE:

Jeffrey L. Smith, President
Cache Stream Corporation
3500 Parkway Lane NW
Suite 280
Norcross, GA 30092

with a copy to:

Swartz Institutional Finance
300 Colonial Center Parkway, Suite 300
Roswell, GA 30076
(770) 640-8130

WITH A COPY (NOT CONSTITUTING NOTICE) TO:

DORSEY & WHITNEY, LLP
REPUBLIC PLAZA BUILDING
SUITE 4700
370 SEVENTEENTH STREET
DENVER, CO 80202-5644

ATTENTION: THOMAS S. SMITH, ESQ.
TELEPHONE: (303) 629-3400
FACSIMILE: (303) 629-3450

9.5 Confidentiality.

WITHOUT LIMITING THE GENERALITY OF ANYTHING CONTAINED IN SECTION 5.2, ON AND AT ALL TIMES AFTER THE CLOSING DATE, EACH PARTY SHALL KEEP CONFIDENTIAL, AND SHALL NOT USE OR DISCLOSE TO ANY OTHER PERSON, ANY NON-PUBLIC DOCUMENT OR OTHER NON-PUBLIC INFORMATION IN SUCH PARTY'S POSSESSION

THAT RELATES TO THE BUSINESS OF CACHE OR PROVIDENCE.

9.6 Time of the Essence.

TIME IS OF THE ESSENCE OF THIS AGREEMENT.

9.7 Headings.

THE BOLDED HEADINGS CONTAINED IN THIS AGREEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, SHALL NOT BE DEEMED TO BE A PART OF THIS AGREEMENT AND SHALL NOT BE REFERRED TO IN CONNECTION WITH THE CONSTRUCTION OR INTERPRETATION OF THIS AGREEMENT.

9.8 Counterparts.

THIS AGREEMENT MAY BE EXECUTED IN SEVERAL COUNTERPARTS, EACH OF WHICH SHALL CONSTITUTE AN ORIGINAL AND ALL OF WHICH, WHEN TAKEN TOGETHER, SHALL CONSTITUTE ONE AGREEMENT.

9.9 Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED IN ALL RESPECTS BY, THE INTERNAL LAWS OF THE STATE OF COLORADO AND (WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS).

9.10 Successors and Assigns.

THE RIGHTS AND OBLIGATIONS OF PROVIDENCE OR CACHE MAY NOT BE ASSIGNED WITHOUT THE PRIOR WRITTEN CONSENT OF BOTH PARTIES. SUBJECT TO THE FOREGOING, THE PROVISIONS OF THIS AGREEMENT SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS.

9.11 Remedies Cumulative; Specific Performance.

THE RIGHTS AND REMEDIES OF THE PARTIES HERETO SHALL BE CUMULATIVE (AND NOT ALTERNATIVE). THE PARTIES TO THIS AGREEMENT AGREE THAT, IN THE EVENT OF ANY BREACH OR THREATENED BREACH BY ANY PARTY TO THIS AGREEMENT OF ANY COVENANT, OBLIGATION OR OTHER PROVISION SET FORTH IN THIS AGREEMENT FOR THE BENEFIT OF ANY OTHER PARTY TO THIS AGREEMENT, SUCH OTHER PARTY SHALL BE ENTITLED (IN ADDITION TO ANY OTHER REMEDY THAT MAY BE AVAILABLE TO IT) TO (A) A DECREE OR ORDER OF SPECIFIC PERFORMANCE OR MANDAMUS TO ENFORCE THE OBSERVANCE AND PERFORMANCE OF SUCH COVENANT, OBLIGATION OR OTHER PROVISION, AND (B) AN INJUNCTION RESTRAINING SUCH BREACH OR THREATENED BREACH.

9.12 Waiver.

(A) No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this

Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(B) No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

9.13 Amendments.

THIS AGREEMENT MAY NOT BE AMENDED, MODIFIED, ALTERED OR SUPPLEMENTED OTHER THAN BY MEANS OF A WRITTEN INSTRUMENT DULY EXECUTED AND DELIVERED ON BEHALF OF ALL OF THE PARTIES HERETO.

9.14 Severability.

IN THE EVENT THAT ANY PROVISION OF THIS AGREEMENT, OR THE APPLICATION OF ANY SUCH PROVISION TO ANY PERSON OR SET OF CIRCUMSTANCES, SHALL BE DETERMINED TO BE INVALID, UNLAWFUL, VOID OR UNENFORCEABLE TO ANY EXTENT, THE REMAINDER OF THIS AGREEMENT, AND THE APPLICATION OF SUCH PROVISION TO PERSONS OR CIRCUMSTANCES OTHER THAN THOSE AS TO WHICH IT IS DETERMINED TO BE INVALID, UNLAWFUL, VOID OR UNENFORCEABLE, SHALL NOT BE IMPAIRED OR OTHERWISE AFFECTED AND SHALL CONTINUE TO BE VALID AND ENFORCEABLE TO THE FULLEST EXTENT PERMITTED BY LAW.

9.15 Entire Agreement.

THIS AGREEMENT AND THE OTHER AGREEMENTS REFERRED TO HEREIN SET FORTH THE ENTIRE UNDERSTANDING OF THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS AMONG OR BETWEEN ANY OF THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF.

9.16 Construction.

(A) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(B) The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(C) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but

rather shall be deemed to be followed by the words "without limitation."

(D) Except as otherwise indicated, all references in this Agreement to "Sections" and "Exhibit" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

IN WITNESS WHEREOF, PROVIDENCE and CACHE have signed this Agreement as of the date first written above.

PROVIDENCE CAPITAL IX, INC.
A Colorado Corporation

By: _____
Richard Nadeau, Jr., President

CACHESTREAM CORPORATION
a Colorado Corporation

By: _____
Jeffrey L. Smith, President

Mark T. Thatcher, Of Counsel to
Nadeau & Simmons, P.C., enters into this
Agreement for purposes of evidencing his
consent to and agreement with Section 6.8.

Date: June 27, 2001

By:
Mark T. Thatcher, Of Counsel

EXHIBIT I
CERTAIN DEFINITIONS

The following are definitions of terms not otherwise defined in the Agreement. For purposes of the Agreement (including this EXHIBIT I):

"ACQUISITION TRANSACTION" means any transaction involving:
(A) the sale, license, disposition or acquisition of all or a material portion of PROVIDENCE or CACHE's business or assets;
(B) the issuance, disposition or acquisition of (i) any capital stock or other equity security of PROVIDENCE or CACHE, (ii) any option, call, warrant or right (whether or not immediately exercisable) to acquire any capital stock or other equity security of PROVIDENCE or CACHE, or (iii) any security,

instrument or obligation that is or may become convertible into or exchangeable for any capital stock or other equity security of PROVIDENCE or CACHE; or

(C) any merger, consolidation, business combination, reorganization or similar transaction involving PROVIDENCE or CACHE.

"AFFILIATE" means, with respect to any specified Person, any other Person in which the specified Person has a direct or indirect interest (except through ownership of less than 5% of the outstanding shares of any entity whose securities are listed on a national securities exchange or traded in the national over-the-counter market).

"BUSINESS DAY" means a day, other than a Saturday or a Sunday, or a federal holiday upon which offices of the federal government are not open for business.

"CACHE CONTRACT" means any Contract: (a) to which CACHE is a party; (b) by which CACHE or any of its assets is or may become bound or under which CACHE has, or may become subject to, any obligation; or (c) under which CACHE has or may acquire any right or interest.

"CONSENT" means any approval, consent, ratification, permission, waiver or authorization (including any Governmental Authorization).

"CONTRACT" means any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature.

"DAMAGES" shall include any loss, damage, injury, decline in value, lost opportunity, liability, claim, demand, settlement, judgment, award, fine, penalty, Tax, fee (including reasonable attorneys' fees), charge, cost (including costs of investigation) or expense of any nature.

"EFFECTIVE TIME" shall have the meaning specified in Section 1.3 of the Agreement.

"ENCUMBRANCE" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

"ENTITY" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, CACHE (including any limited liability CACHE or joint stock CACHE), firm or other enterprise, association, organization

or entity.

"ENVIRONMENTAL LAW" means any federal, state, local or foreign Legal Requirement relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including any law or regulation relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern.

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

"FEES AND EXPENSES" shall have the meaning specified in Section 9.2 of the Agreement.

"GAAP" means generally accepted accounting principles.

"GOVERNMENTAL AUTHORIZATION" means any: (a) permit, license, certificate, franchise, permission, clearance, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement; or (b) right under any Contract with any Governmental Body.

"INDEMNITEES" means the following Persons: (a) PROVIDENCE or CACHE; (b) PROVIDENCE or CACHE's current and future affiliates; (c) the respective Representatives of the Persons referred to in clauses "(a)" and "(b)" above; and (d) the respective successors and assigns of the Persons referred to in clauses "(a)", "(b)" and "(c)" above; PROVIDED, HOWEVER, that the Stockholders shall not be deemed to be "Indemnitees."

"LEGAL PROCEEDING" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

"LEGAL REQUIREMENT" means any federal, state, local, municipal, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"MATERIAL ADVERSE EFFECT" means a violation or other matter will be deemed to have a "Material Adverse Effect" on CACHE if such violation or other matter (considered together with all other matters that would constitute exceptions to the representations and warranties set forth in the Agreement but for the presence of "Material Adverse Effect" or other materiality qualifications, or any similar qualifications, in such representations and warranties) would have a material adverse effect on CACHE's business,

condition, assets, liabilities, operations, financial performance or prospects.

"MATERIALS OF ENVIRONMENTAL CONCERN" means chemicals, pollutants, contaminants, wastes, toxic substances, petroleum and petroleum products and any other substance that is now or hereafter regulated by any Environmental Law or that is otherwise a danger to health, reproduction or the environment.

"PERSON" means any individual, Entity or Governmental Body.

"RELATED PARTY" means: (i) the Stockholders; (ii) each individual who is, or who has at any time since December 22, 1999 been, an officer of CACHE; (iii) each member of the immediate family of each of the individuals referred to in clauses "(i)" and "(ii)" above; and (iv) any trust or other entity (other than CACHE) in which any one of the individuals referred to in clauses "(i)", "(ii)" and "(iii)" above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a material voting, proprietary or equity interest).

"REPRESENTATIVES" means officers, directors, employees, agents, attorneys, accountants, advisors and representatives.

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

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

"SHARES" shall have the meaning specified in the preamble to the Agreement.

"TAX RETURN" means any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

EXHIBIT II

ARTICLES OF MERGER

(To be completed prior to the Closing Date)

PROVIDENCE CAPITAL IX, INC.

AND

CACHESTREAM CORPORATION

ARTICLES OF MERGER

Pursuant to the provisions of the Colorado Business Corporation Act (CRS 7-111-107, et seq., as amended) the undersigned corporations adopt the following Articles of Merger:

FIRST: Attached hereto as Exhibit A is the Plan and Agreement of Merger, (without the Exhibits) of PROVIDENCE CAPITAL IX, INC., a Colorado corporation and CACHESTREAM CORPORATION, a Colorado corporation.

SECOND: The Plan and Agreement of Merger was duly adopted and recommended to the shareholders by the Board of Directors of PROVIDENCE CAPTIAL IX, INC. on _____, 2001, and by the Board of Directors of CACHESTREAM CORPORTION on June 15,2001, and approved by the shareholders of PROVIDENCE CAPITAL IX, INC. on _____, 2001, and by the shareholders of CACHESTREAM CORPORATION, on June18, 2001, in the manner prescribed by Section 7-111-105(1)(c) of the Colorado Business Corporation Act. Accordingly, the number of shares voted for the Plan and Agreement of Merger by each voting group was, with respect to each corporation, sufficient for approval by that voting group.

THIRD: On the date these Articles of Merger are filed with the Colorado Secretary of State, they shall be effective and CACHESTREAM CORPORATION shall merge into PROVIDENCE CAPITAL IX, INC. and the first sentence of Article I of the Articles of Incorporation of PROVIDENCE CAPITAL IX, INC. shall be amended to read as follows: "The name of the corporation shall be CACHESTREAM CORPORATION."

IN WITNESS WHEREOF, the following persons have duly executed and verify these Articles of Merger this _____ day of _____, 2001.

PROVIDENCE CAPITAL IX, INC.,
a Colorado corporation

By:_____
RICHARD NADEAU, JR.
Chairman and President

CACHESTREAM CORPORATION,
a Colorado corporation

By:_____
JEFFREY L. SMITH,
Its President

EXHIBIT III

BYLAWS

OF

PROVIDENCE CAPITAL IX, INC.

ARTICLE I

OFFICES

SECTION 1.1 PRINCIPAL OFFICE. The principal office of the corporation in the State of Colorado shall be located in the City of Colorado Springs, County of El Paso. The corporation may have such other offices, either within or outside of the State of Colorado, as the Board of Directors may designate, or as the business of the corporation may require from time to time.

SECTION 1.2 REGISTERED OFFICE. The registered office of the corporation, required by the Colorado Business Corporation Act to be maintained in the State of Colorado, may be, but need not be, identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

SHAREHOLDERS

SECTION 2.1 ANNUAL MEETING. The annual meeting of the shareholders shall be held on the last Tuesday of March in each year, commencing with the year 2000, at the hour of 10:00 A.M., or at such other time on such other day as shall be fixed by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Maine, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as may be convenient.

A shareholder may apply to the district court in the county in Colorado where the corporation's principal office is located or, if the corporation has no principal office in Colorado, to the district court of

the county in which the corporation's registered office is located to seek an order that a shareholder meeting be held (i) if an annual meeting was not held within six months after the close of the corporation's most recently ended fiscal year or fifteen months after its last annual meeting, whichever is earlier, or (ii) if the shareholder participated in a proper call or of proper demand for a special meeting and notice of the special meeting was not given within thirty days after the date of the call or the date the last of the demands necessary to require calling of the meeting was received by the corporation pursuant to C.R.S. ' 7-107-102(1)(b), or the special meeting was not held in accordance with the notice.

SECTION 2.2 SPECIAL MEETINGS. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President upon the receipt of one or more written demands for a special meeting, stating the purpose or purposes for which it is to be held, signed and dated by the holders of shares representing at least ten percent of all the votes entitled to be cast on any issue proposed to be considered at the meeting.

SECTION 2.3 PLACE OF MEETINGS. The Board of Directors may designate any place, either within or outside of the State of Colorado, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation in the State of Colorado.

SECTION 2.4 NOTICE OF MEETING. Written notice stating the place, day and hour of the meeting of shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or other persons calling the meeting, to each shareholder of record entitled to vote at such meeting; provided, however, that if the number of authorized shares is to be increased, at least thirty days' notice shall be given.

Notice of a special meeting shall include a description of the purpose or purposes of the meeting. Notice of an annual meeting need not include a description of the purpose or purposes of the meeting except the purpose or purposes shall be stated with respect to (i) an amendment to the articles of incorporation of the corporation, (ii) a merger or share exchange in which the corporation is a party and, with respect to a share exchange, in which the corporation's shares will be acquired, (iii) a sale, lease, exchange or other disposition, other than in the usual and regular course of business, of all or substantially all of the property of the corporation or of another entity which this corporation controls, in each case with or without the goodwill, (iv) a dissolution of the corporation, or (v) any other purpose for which a statement of purpose is required by the Colorado

Business Corporation Act.

Notice shall be given personally or by mail, private carrier, telegraph, teletype, electronically transmitted facsimile or other form of wire or wireless communication by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed and if in a comprehensible form, such notice shall be deemed to be given and effective when deposited in the United States mail, addressed to the shareholder at his address as it appears in the corporation's current record of shareholders, with postage prepaid. If notice is given other than by mail, and provided that such notice is in a comprehensible form, the notice is given and effective on the date received by the shareholder.

If requested by the person or persons lawfully calling such meeting, the notice shall be given at corporate expense.

When a meeting is adjourned to another date, time or place, notice need not be given of the new date, time or place if the new date, time or place of such meeting is announced before adjournment at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which may have been transacted at the original meeting. If the adjournment is for more than 120 days, or if a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting as of the new record date.

A shareholder may waive notice of a meeting before or after the time and date of the meeting by a writing signed by such shareholder. Such waiver shall be delivered to the corporation for filing with the corporate records. Further, by attending a meeting either in person or by proxy, a shareholder waives objection to lack of notice or defective notice of the meeting unless the shareholder objects at the beginning of the meeting to the holding of the meeting or the transaction of business at the meeting because of lack of notice or defective notice. By attending the meeting, the shareholder also waives any objection to consideration in the meeting of a particular matter not within the purpose or purposes described in the meeting notice unless the shareholder objects to considering the matter when it is presented.

No notice need be sent to any shareholder if three successive notices mailed to the last known address of such shareholder have been returned as undeliverable until such time as another address for such shareholder is made known to the corporation by such shareholder. In order to be entitled to receive notice of any meeting, a shareholder shall advise the corporation in writing of any change in such shareholder's mailing address as shown on the corporation's books and records.

SECTION 2.5 MEETING OF ALL SHAREHOLDERS. If all of the shareholders shall meet at any time and place, either within or outside of the State of Colorado, and consent to the holding of a meeting at such time and place,

such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

SECTION 2.6 CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any distribution, or in order to make a determination of shareholders for any other purpose, the Board of Directors of the corporation may provide that the share transfer books shall be closed for a stated period but not to exceed, in any case, seventy days. If the share transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the share transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than seventy days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the share transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a distribution, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such distribution is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof unless the meeting is adjourned to a date more than one hundred twenty days after the date fixed for the original meeting, in which case the Board of Directors shall make a new determination as provided in this section.

SECTION 2.7 VOTING RECORD. The officer or agent having charge of the stock transfer books for shares of the corporation shall make, at least ten days before such meeting of shareholders, a complete record of the shareholders entitled to vote at each meeting of shareholders or any adjournment thereof, arranged by voting groups and within each voting group by class or series of shares, in alphabetical order within each class or series, with the address of and the number of shares held by each shareholder in each class or series. For a period beginning the earlier of ten days before the meeting for which the record was prepared or two business days after notice of the meeting is given and continuing through the meeting, the record shall be kept on file at the principal office of the corporation or at a place identified in the notice of the meeting in the city where the meeting will be held, whether within or outside of the State of Colorado, and shall be subject to inspection by any shareholder upon written demand at any time during usual business hours. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

The original stock transfer books shall be the PRIMA FACIE evidence as to who are the shareholders entitled to examine the record or transfer books or to vote at any meeting of shareholders.

SECTION 2.8 QUORUM. A majority of the votes entitled to be cast on the matter by a voting group, represented in person or by proxy, constitutes a quorum of that voting group for action on that matter. If no specific voting group is designated in the Articles of Incorporation or under the Colorado Business Corporation Act for a particular matter, all outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a voting group. In the absence of a quorum at any such meeting, a majority of the shares so represented may adjourn the meeting from time to time for a period not to exceed one hundred twenty days without further notice. However, if the adjournment is for more than one hundred twenty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of shareholders whose absence would cause there to be less than a quorum.

SECTION 2.9 MANNER OF ACTING. If a quorum is present, an action is approved if the votes cast favoring the action exceed the votes cast within the voting group opposing the action and such action shall be the act of the shareholders, unless the vote of a greater proportion or number or voting by groups is otherwise required by the Colorado Business Corporation Act, the Articles of Incorporation or these Bylaws.

SECTION 2.10 PROXIES. At all meetings of shareholders a shareholder may vote by proxy by signing an appointment form or similar writing, either personally or by his or her duly authorized attorney-in-fact. A shareholder may also appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the proxy, a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy, or to the corporation. The transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the shareholder transmitted or authorized the transmission of the appointment. The proxy appointment form or similar writing shall be filed with the secretary of the corporation before or at the time of the meeting. The appointment of a proxy is effective when received by the corporation and is valid for eleven months unless a different period is expressly provided in the appointment form or similar writing.

Any complete copy, including an electronically transmitted facsimile,

of an appointment of a proxy may be substituted for or used in lieu of the original appointment for any purpose for which the original appointment could be used.

Revocation of a proxy does not affect the right of the corporation to accept the proxy's authority unless (i) the corporation had notice that the appointment was coupled with an interest and notice that such interest is extinguished is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his or her authority under the appointment, or (ii) other notice of the revocation of the appointment is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his or her authority under the appointment. Other notice of revocation may, in the discretion of the corporation, be deemed to include the appearance at a shareholders' meeting of the shareholder who granted the proxy and his or her voting in person on any matter subject to a vote at such meeting.

The death or incapacity of the shareholder appointing a proxy does not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his or her authority under the appointment.

The corporation shall not be required to recognize an appointment made irrevocable if it has received a writing revoking the appointment signed by the shareholder (including a shareholder who is a successor to the shareholder who granted the proxy) either personally or by his or her attorney-in-fact, notwithstanding that the revocation may be a breach of an obligation of the shareholder to another person not to revoke the appointment.

SECTION 2.11 VOTING OF SHARES. Unless otherwise provided by these Bylaws or the Articles of Incorporation, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders, and each fractional share shall be entitled to a corresponding fractional vote on each such matter. Only shares are entitled to vote.

SECTION 2.12 VOTING OF SHARES BY CERTAIN SHAREHOLDERS. If the name on a vote, consent, waiver, proxy appointment, or proxy appointment revocation corresponds to the name of a shareholder, the corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, proxy appointment or proxy appointment revocation and give it effect as the act of the shareholder.

If the name signed on a vote, consent, waiver, proxy appointment or proxy appointment revocation does not correspond to the name of a shareholder, the corporation, if acting in good faith, is nevertheless entitled to accept the vote, consent, waiver, proxy appointment or proxy appointment revocation and to give it effect as the act of the shareholder if:

(i) the shareholder is an entity and the name signed purports to be that of an officer or agent of the entity;

(ii) the name signed purports to be that of an administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(iv) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(v) two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-tenants or fiduciaries, and the person signing appears to be acting on behalf of all the co-tenants or fiduciaries; or

(vi) the acceptance of the vote, consent, waiver, proxy appointment or proxy appointment revocation is otherwise proper under rules established by the corporation that are not inconsistent with this Section 2.12.

The corporation is entitled to reject a vote, consent, waiver, proxy appointment or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

Neither the corporation nor any of its directors, officers employees, or agents who accepts or rejects a vote, consent, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this Section is liable in damages for the consequences of the acceptance or rejection.

Redeemable shares are not entitled to be voted after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company or other financial institution under an irrevocable obligation to pay the holders of the redemption price on surrender of the shares.

SECTION 2.13 ACTION BY SHAREHOLDERS WITHOUT A MEETING. Unless the Articles of Incorporation or these Bylaws provide otherwise, action required or permitted to be taken at a meeting of shareholders may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each shareholder entitled to vote and delivered to the Secretary of the corporation for inclusion in the minutes or for filing with the corporate records. Action taken under this section is effective when all shareholders entitled to vote have signed the consent, unless the consent specifies a different effective date.

Any such writing may be received by the corporation by electronically transmitted facsimile or other form of wire or wireless communication providing the corporation with a complete copy thereof, including a copy of the signature thereto. The shareholder so transmitting such a writing shall furnish an original of such writing to the corporation, but the failure of the corporation to receive or record such original writing shall not affect the action so taken.

The record date for determining shareholders entitled to take action without a meeting shall be the date the written consent is first received by the corporation.

SECTION 2.14 VOTING BY BALLOT. Voting on any question or in any election may be by voice vote unless the presiding officer shall order or any shareholder shall demand that voting be by ballot.

SECTION 2.15 NO CUMULATIVE VOTING. No shareholder shall be permitted to cumulate his or her votes.

SECTION 2.16 WAIVER OF NOTICE. When any notice is required to be given to any shareholder, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

The attendance of a shareholder at any meeting shall constitute a waiver of notice, waiver of objection to defective notice of such meeting, or a waiver of objection to the consideration of a particular matter at the shareholder meeting unless the shareholder, at the beginning of the meeting, objects to the holding of the meeting, the transaction of business at the meeting, or the consideration of a particular matter at the time it is presented at the meeting.

SECTION 2.17 PARTICIPATION BY ELECTRONIC MEANS. Any shareholder may participate in any meeting of the shareholders by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.1 GENERAL POWERS. The business and affairs of the corporation shall be managed by its Board of Directors.

SECTION 3.2 PERFORMANCE OF DUTIES. A director of the corporation shall perform his or her duties as a director, including his or her duties as a member of any committee of the board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs (a), (b), and (c) of this Section 3.2; but he or she shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his or her other duties shall not have any liability by reason of being or having been a director of the corporation. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely are:

(a) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or

(c) A committee of the board upon which he or she does not serve, duly designated in accordance with the provision of the Articles of Incorporation or the Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

SECTION 3.3 NUMBER, TENURE AND QUALIFICATIONS. The number of directors of the corporation shall be fixed from time to time by resolution of the Board of Directors, but in no instance shall there be less than one director. Each director shall hold office as prescribed by written agreement, or until the next annual meeting of shareholders, or until his or her successor shall have been elected and qualified. Directors need not be residents of the State of Colorado or shareholders of the corporation.

There shall be a Chairman of the Board, who has been elected from among the directors. He or she shall preside at all meetings of the stockholders and of the Board of Directors. He or she shall have such other powers and duties as may be prescribed by the Board of Directors.

There shall be at least two (2) independent directors as defined by the Colorado Business Corporation Act of 1994, as amended.

SECTION 3.4 REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Colorado, for the holding of additional regular meetings without other notice than such resolution.

SECTION 3.5 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 3.6 NOTICE. Written notice of any special meeting of directors shall be given as follows:

By mail to each director at his or her business address at least two days prior to the meeting; or

By personal delivery, facsimile or telegram at least twenty-four hours prior to the meeting to the business address of each director, or in the event such notice is given on a Saturday, Sunday or holiday, to the residence address of each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when a confirmation of the transmission of the facsimile has been received by the sender. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company.

Any director may waive notice of any meeting.

The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

When any notice is required to be given to a director, a waiver thereof in writing signed by such director, whether before, at or after the time stated therein, shall constitute the giving of such notice.

SECTION 3.7 QUORUM. A majority of the number of directors fixed by or pursuant to Section 3.2 of this Article III, or if no such number is fixed, a majority of the number of directors in office immediately before the meeting begins, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is

present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 3.8 MANNER OF ACTING. Except as otherwise required by law or by the Articles of Incorporation, the affirmative vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 3.9 INFORMAL ACTION BY DIRECTORS OR COMMITTEE MEMBERS. Unless the Articles of Incorporation or these By-laws provide otherwise, any action required or permitted to be taken at a meeting of the board of directors or any committee designated by said board may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each director or committee member, and delivered to the Secretary for inclusion in the minutes or for filing with the corporate records. Action taken under this section is effective when all directors or committee members have signed the consent, unless the consent specifies a different effective date. Such consent has the same force and effect as a unanimous vote of the directors or committee members and may be stated as such in any document.

SECTION 3.10 PARTICIPATION BY ELECTRONIC MEANS. Any members of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board of Directors or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

SECTION 3.11 VACANCIES. Any vacancy on the Board of Directors may be filled by the affirmative vote of a majority of the shareholders or the Board of Directors. If the directors remaining in office constitute fewer than a quorum of the board, the directors may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

If elected by the directors, the director shall hold office until the next annual shareholders' meeting at which directors are elected. If elected by the shareholders, the director shall hold office for the unexpired term of his or her predecessor in office; except that, if the director's predecessor was elected by the directors to fill a vacancy, the director elected by the shareholders shall hold the office for the unexpired term of the last predecessor elected by the shareholders.

If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders, and, if one or more of the remaining directors were elected by the same voting group, only such directors are entitled to vote to fill the vacancy if it is filled by the directors.

SECTION 3.12 RESIGNATION. Any director of the corporation may resign at any time by giving written notice to the Secretary of the corporation. The resignation of any director shall take effect upon receipt of notice

thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

SECTION 3.13 REMOVAL. Subject to any limitations contained in the Articles of Incorporation, any director or directors of the corporation may be removed at any time, with or without cause, in the manner provided in the Colorado Business Corporation Act.

SECTION 3.14 COMMITTEES. By resolution adopted by a majority of the Board of Directors, the directors may designate two or more directors to constitute a committee, any of which shall have such authority in the management of the corporation as the Board of Directors shall designate and as shall be prescribed by the Colorado Business Corporation Act and Article XI of these Bylaws.

SECTION 3.15 COMPENSATION. By resolution of the Board of Directors and irrespective of any personal interest of any of the members, or the Board of Directors, each director may be paid his or her expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SECTION 3.16 PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the Board of Directors or committee of the board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (i) the director objects at the beginning of the meeting, or promptly upon his or her arrival, to the holding of the meeting or the transaction of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting, (ii) the director contemporaneously requests that his or her dissent or abstention as to any specific action taken be entered in the minutes of the meeting, or (iii) the director causes written notice of his or her dissent or abstention as to any specific action to be received by the presiding officer or the meeting before its adjournment or by the corporation promptly after the adjournment of the meeting. A director may dissent to a specific action at a meeting, while assenting to others. The right to dissent to a specific action taken at a meeting of the Board of Directors or a committee of the board shall not be available to a director who voted in favor of such action.

ARTICLE IV

OFFICERS

SECTION 4.1 NUMBER. The officers of the corporation shall be a President, a Secretary, and a Treasurer, each of whom must be a natural person who is eighteen years or older and shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person.

SECTION 4.2 ELECTION AND TERM OF OFFICE. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after the annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as practicable. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his or her death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 4.3 REMOVAL AND RESIGNATION. Any officer or agent may be removed by the Board of Directors at any time, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

An officer or agent may resign at any time by giving written notice of resignation to the Secretary of the corporation. The resignation is effective when the notice is received by the corporation unless the notice specifies a later effective date.

SECTION 4.4 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 4.5 PRESIDENT. The President shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall, in general, supervise and control all of the business and affairs of the corporation. He or she shall, when present, and in the absence of a Chair of the Board, preside at all meetings of the shareholders and of the Board of Directors. He or she may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation and deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 4.6 VICE PRESIDENT. If elected or appointed by the Board of Directors, the Vice President (or in the event there be more than one vice

president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall, in the absence of the President or in the event of his or her death, inability or refusal to act, perform all duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 4.7 SECRETARY. The Secretary shall: (a) prepare and maintain as permanent records the minutes of the proceedings of the shareholders and the Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the corporation, and a record of all waivers of notice and meetings of shareholders and of the Board of Directors or any committee thereof (b) ensure that all notices are duly given in accordance with the provisions of these Bylaws and as required by law, (c) serve as custodian of the corporate records and of the seal of the corporation and affix the seal to all documents when authorized by the Board of Directors, (d) keep at the corporation's registered office or principal place of business a record containing the names and addresses of all shareholders in a form that permits preparation of a list of shareholders arranged by voting group and by class or series of shares within each voting group, that is alphabetical within each class or series and that shows the address of, and the number of shares of each class or series held by, each shareholder, unless such a record shall be kept at the office of the corporation's transfer agent or registrar, (e) maintain at the corporation's principal office the originals or copies of the corporation's Articles of Incorporation, Bylaws, minutes of all shareholders' meetings and records of all action taken by shareholders without a meeting for the past three years, all written communications within the past three years to shareholders as a group or to the holders of any class or series of shares as a group, a list of the names and business addresses of the current directors and officers, a copy of the corporation's most recent corporate report filed with the Secretary of State, and financial statements showing in reasonable detail the corporation's assets and liabilities and results of operations for the last three years, (f) have general charge of the stock transfer books of the corporation, unless the corporation has a transfer agent, (g) authenticate records of the corporation, and (h) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of the Board of Directors. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary. The directors and/or shareholders may however respectively designate a person other than the Secretary or Assistant Secretary to keep the minutes of their respective meetings.

Any books, records, or minutes of the corporation may be in written

form or in any form capable of being converted into written form within a reasonable time.

SECTION 4.8 TREASURER. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

SECTION 4.9 ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The Assistant Secretaries, when authorized by the Board of Directors, may sign with the Chair or Vice Chair of the Board of Directors or the President or a Vice President certificates for shares of the corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

SECTION 4.10 BONDS. If the Board of Directors by resolution shall so require, any officer or agent of the corporation shall give bond to the corporation in such amount and with such surety as the Board of Directors may deem sufficient, conditioned upon the faithful performance of their respective duties and offices.

SECTION 4.11 SALARIES. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 5.1 CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 5.2 LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 5.3 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued

in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 5.4 DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

SHARES, CERTIFICATES FOR SHARES AND TRANSFER OF SHARES

SECTION 6.1 REGULATION. The Board of Directors may make such rules and regulations as it may deem appropriate concerning the issuance, transfer and registration of certificates for shares of the corporation, including the appointment of transfer agents and registrars.

SECTION 6.2 SHARES WITHOUT CERTIFICATES. Unless otherwise provided by the Articles of Incorporation or these Bylaws, the board of directors may authorize the issuance of any of its classes or series of shares without certificates. Such authorization shall not affect shares already represented by certificates until they are surrendered to the corporation.

Within a reasonable time following the issue or transfer of shares without certificates, the corporation shall send the shareholder a complete written statement of the information required on certificates by the Colorado Business Corporation Act.

SECTION 6.3 CERTIFICATES FOR SHARES. If shares of the corporation are represented by certificates, the certificates shall be respectively numbered serially for each class of shares, or series thereof, as they are issued, shall be impressed with the corporate seal or a facsimile thereof, and shall be signed by the Chair or Vice Chair of the Board of Directors or by the President or a Vice President and by the Treasurer or an Assistant Treasurer or by the Secretary or an Assistant Secretary; provided that such signatures may be facsimile if the certificate is countersigned by a transfer agent, or registered by a registrar other than the corporation itself or its employee. Each certificate shall state the name of the corporation, the fact that the corporation is organized or incorporated under the laws of the State of Colorado, the name of the person to whom issued, the date of issue, the class (or series of any class), and the number of shares represented thereby. A statement of the designations, preferences, qualifications, limitations, restrictions and special or relative rights of the shares of each class shall be set forth in full or summarized on the face or back of the certificates which the corporation shall issue, or in lieu thereof, the certificate may set forth that such a statement or summary will be furnished to any shareholder upon request without charge. Each certificate shall be otherwise in such form as may be prescribed by the Board of Directors and as shall conform to the rules of

any stock exchange on which the shares may be listed.

The corporation shall not issue certificates representing fractional shares and shall not be obligated to make any transfers creating a fractional interest in a share of stock. The corporation may, but shall not be obligated to, issue scrip in lieu of any fractional shares, such scrip to have terms and conditions specified by the Board of Directors.

SECTION 6.4 CANCELLATION OF CERTIFICATES. All certificates surrendered to the corporation for transfer shall be canceled and no new certificates shall be issued in lieu thereof until the former certificate for a like number of shares shall have been surrendered and canceled, except as herein provided with respect to lost, stolen or destroyed certificates.

SECTION 6.5 LOST, STOLEN OR DESTROYED CERTIFICATES. Any shareholder claiming that his certificate for shares is lost, stolen or destroyed may make an affidavit or affirmation of that fact and lodge the same with the Secretary of the corporation, accompanied by a signed application for a new certificate. Thereupon, and upon the giving of a satisfactory bond of indemnity to the corporation not exceeding an amount double the value of the shares as represented by such certificate (the necessity for such bond and the amount required to be determined by the President and Treasurer of the corporation), a new certificate may be issued of the same tenor and representing the same number, class and series of shares as were represented by the certificate alleged to be lost, stolen or destroyed.

SECTION 6.6 TRANSFER OF SHARES. Subject to the terms of any shareholder agreement relating to the transfer of shares or other transfer restrictions contained in the Articles of Incorporation or authorized therein, shares of the corporation shall be transferable on the books of the corporation by the holder thereof in person or by his duly authorized attorney, upon the surrender and cancellation of a certificate or certificates for a like number of shares. Upon presentation and surrender of a certificate for shares properly endorsed and payment of all taxes therefor, the transferee shall be entitled to a new certificate or certificates in lieu thereof. As against the corporation, a transfer of shares can be made only on the books of the corporation and in the manner hereinabove provided, and the corporation shall be entitled to treat the holder of record of any share as the owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the statutes of the State of Colorado.

ARTICLE VII

FISCAL YEAR

THE FISCAL YEAR OF THE CORPORATION SHALL END ON THE 31{ST} DAY OF DECEMBER IN EACH CALENDAR YEAR.

ARTICLE VIII

DISTRIBUTIONS

The Board of Directors may from time to time declare, and the corporation may pay, distributions on its outstanding shares in the manner and upon the terms and conditions provided by the Colorado Business Corporation Act and its Articles of Incorporation.

ARTICLE IX

CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "CORPORATE SEAL."

ARTICLE X

The Board of Directors shall have power, to the maximum extent permitted by the Colorado Business Corporation Act, to make, amend and repeal the Bylaws of the corporation at any regular or special meeting of the board unless the shareholders, in making, amending or repealing a particular Bylaw, expressly provide that the directors may not amend or repeal such Bylaw. The shareholders also shall have the power to make, amend or repeal the Bylaws of the corporation at any annual meeting or at any special meeting called for that purpose.

AMENDMENTS

ARTICLE XI

EXECUTIVE COMMITTEE

SECTION 11.1 APPOINTMENT. The Board of Directors by resolution adopted by a majority of the full Board, may designate two or more of its members to constitute an Executive Committee. The designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

SECTION 11.2 AUTHORITY. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee and except also that the Executive Committee shall not have the authority of the Board of Directors in reference to authorizing distributions, filling vacancies on the Board of Directors, authorizing reacquisition of shares, authorizing and determining rights for shares, amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the shareholders the sale, lease or other disposition of all or substantially all of the property and assets of the

corporation otherwise than in the usual and regular course of its business, recommending to the shareholders a voluntary dissolution of the corporation or a revocation thereof, or amending the Bylaws of the corporation.

SECTION 11.3 TENURE AND QUALIFICATIONS. Each member of the Executive Committee shall hold office until the next regular annual meeting of the Board of Directors following his or her designation and until his or her successor is designated as a member of the Executive Committee and is elected and qualified.

SECTION 11.4 MEETINGS. Regular meetings of the Executive Committee may be held without notice at such time and places as the Executive Committee may fix from time to time by resolution. Special meetings of the Executive Committee may be called by any member thereof upon not less than one day's notice stating the place, date and hour of the meeting, which notice may be written or oral, and if mailed, shall be deemed to be delivered when deposited in the United States mail addressed to the member of the Executive Committee at his or her business address. Any member of the Executive Committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of the Executive Committee need not state the business proposed to be transacted at the meeting.

SECTION 11.5 QUORUM. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof, and action of the Executive Committee must be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

SECTION 11.6 INFORMAL ACTION BY EXECUTIVE COMMITTEE. Any action required or permitted to be taken by the Executive Committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Executive Committee entitled to vote with respect to the subject matter thereof.

SECTION 11.7 VACANCIES. Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the full Board of Directors.

SECTION 11.8 RESIGNATIONS AND REMOVAL. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board of Directors. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the President or Secretary of the corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 11.9 PROCEDURE. The Executive Committee shall elect a presiding officer from its members and may fix its own rules of procedure which shall

not be inconsistent with these Bylaws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

ARTICLE XII

EMERGENCY BY-LAWS

The Emergency Bylaws provided in this Article XII shall be operative during any emergency in the conduct of the business of the corporation resulting from a catastrophic event that prevents the normal functioning of the offices of the Corporation, notwithstanding any different provision in the preceding articles of the Bylaws or in the Articles of Incorporation of the corporation or in the Colorado Business Corporation Act. To the extent not inconsistent with the provisions of this Article, the Bylaws provided in the preceding articles shall remain in effect during such emergency and upon its termination the Emergency Bylaws shall cease to be operative.

During any such emergency:

(a) A meeting of the Board of Directors may be called by any officer or director of the corporation. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.

(b) At any such meeting of the Board of Directors, a quorum shall consist of the number of directors in attendance at such meeting.

(c) The Board of Directors, either before or during any such emergency, may, effective in the emergency, change the principal office or designate several alternative principal offices or regional offices, or authorize the officers so to do.

(d) The Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.

(e) No officer, director or employee acting in accordance with these Emergency Bylaws shall be liable except for willful misconduct.

(f) These Emergency Bylaws shall be subject to repeal or change by further action of the Board of Directors or by action of the shareholders, but no such repeal or change shall modify the provisions of the next preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these Emergency Bylaws may make any

further or different provision that may be practical and necessary for the circumstances of the emergency.

EXHIBIT IV

DISCLOSURE SCHEDULE

2.1 Organization, Standing and Qualification.

3500 Parkway Lane - SUITE 280
NORCROSS, GEORGIA 300092
USA

1420 BLAIR PLACE - SUITE 610
OTTOWA, ON K1J9L8
CANADA

29B JALAN SS2/72
47300 PETALING JAYA, SELANGOR
MALAYSIA

CACHESTREAM QUALIFIED TO DO BUSINESS AS A FOREIGN CORPORATION IN GEORGIA; OTTAWA, CANADA; AND MALYASIA.

2.5 CAPITALIZATION

<TABLE>
<CAPTION>

STOCKHOLDER NAME	SHARES ISSUED	PRICE PER SHARE	PERCENTAGE OWNED
<S>	<C>	<C>	<C>
JEFFREY L. SMITH	75,000	0.01000	1.38%
Q6 TECHNOLOGIES, INC.	1,500,000	0.66667	41.74%
Q6 GROUP LLC	75,000	0.01000	1.27%
ADRIAN RIETBERG	75,000	0.01000	1.27%
THE JOANNE BOUCHARD FAMILY TRUST	35,000	0.66670	0.59%
JOANNE BOUCHARD	88,529	0.66670	1.65%
THE THOMAS R GRIMES FAMILY TRUST	70,000	0.66670	1.19%
THOMAS R. GRIMES	44,706	0.66670	0.80%
THE QUIGG-WRIGHT FAMILY TRUST	61,765	0.66670	1.05%
Q6 TECHNOLOGIES, INC.	900,000	1.11111	
RICHARD WUNDERLICH	60,000	1.66667	1.02%
CHEW LEE WEE	306,960	0.01815	5.21%
Q6 TECHNOLOGIES, INC.	60,000	1.66667	
ASIA TRANS PACIFIC INVESTMENT CORPORATION	2,093,040	0.01815	35.51%
JOHN MARTINSON	60,000	1.66667	1.02%

DUNWOODY BROKERAGE SERVICES, INC.	159,570	1.66667	2.71%
CROWN LEGACY, LP	13,333	0.00000	0.23%
WILLIAM MATHIS	9,333	0.00000	0.16%
SKIPPER MIZE INVESTMENTS, INC.	13,333	0.00000	0.23%
TIM SMITH	16,000	0.00000	0.32%
RUSSELL WOLF	33,300	0.00000	0.57%
JOE LEADER	14,667	0.00000	0.25%
KATHLEEN CAREY	2,717	0.00000	0.05%
ROSS COX	1,183	0.00000	0.02%
THOMAS DONG	2,480	0.00000	0.04%
MICHAEL HERRING	1,297	0.00000	0.02%
SCOTT MAGNES	4,674	0.00000	0.08%
JOHN MAI	1,824	0.00000	0.03%
KHANH MAI	4,178	0.00000	0.07%
MARK MAYNE	2,035	0.00000	0.03%
JEFFREY L. SMITH	6,301	0.00000	
TIM SMITH	2,891	0.00000	
BETSY GOURLEY	1,364	0.00000	0.02%
CLINTON WOLF	5,962	0.00000	0.10%
ROLAND NOLL	10,312	0.00000	0.17%
THOMAS R GRIMES	2,664	0.00000	
CHRISTIAN TREPANIER	1,780	0.00000	0.03%
YVAN GODBOUT	1,780	0.00000	0.03%
SERGE RACINE	357	0.00000	0.01%
JOANNE BOUCHARD	8,599	0.00000	
250 K BRIDGE FINANCING	66,667	0.00000	1.13%
TOTAL SHARES ISSUED	5,893,601		

</TABLE>

Warrants Issued

<TABLE>
<CAPTION>

Warrant Holder	Shares	Price Per Share
<S>	<C>	<C>
Q6 Technologies, Inc - Mgmt Fee Deferral	37,500	$1.6667
Total Warrants Issued	37,500	

</TABLE>

ECOM Transaction

CacheStream plans to borrow up to an additional $350,000 from eCom Corporation ("eCom"). The $350,000 will be convertible into Providence common stock and warrants after the merger. In addition, a $450,000 promissory note from CacheStream will become convertible into Providence common stock and warrants and eCom will have the right to purchase $1,000,000 of Providence stock and warrants.

2.8 ADDITIONAL INFORMATION.

2.8.1 REAL PROPERTY.

NONE

2.8.2 MACHINERY AND EQUIPMENT.

(
EQUIPMENT LOCATED AT:
3500 PARKWAY LANE
SUITE 280
NORCROSS, GEORGIA 30092

<TABLE>
<CAPTION>

DATE PURCHASED	DESCRIPTION	SERIAL NUMBER/SYSTEM TAG
<S>	<C>	<C>
COMPUTERS		
2/5/00	Sony F430 PIII	
3/14/00	Latitude CPxH5000GT	FBE79
3/14/00	Latitude CPxH5000GT	FBE7M
3/14/00	Latitude CPxH5000GT	FBE7V
3/14/00	Latitude CPxH5000GT	FBE7W
3/17/00	Sony F430 PIII	0003-865-482-324
3/14/00	Panaboard W/Stand	
3/30/00	Latitude CPiV466GT	FHJOX
4/6/00	Latitude CPxH500GT	1IML7
4/1/00	Dell Poweredge 2400 Base	91LV00B
5/30/00	Dell Poweredge 2400 Base	8QQO00B
6/9/00	Phaser740 Plus Color Printer	9HMEVD40138
7/1/00	Dimension L Series PIII	BH6420B
7/11/00	Cisco 1605 Router	
7/11/00	Dell Linux Server	J23N20B
7/19/00	Systemax Venture T733-6	3575134
9/22/00	2-Systemax Venture T733	3607956/3836428
9/22/00	4-Systemax Venture T733	3638433/6883/3881/8436
9/25/00	Systemax 15" Monitor	
9/26/00	4-Systemax 15" Monitors	
9/27/00	Systemax 15" Monitor	
1/22/01	Dell Lattitude C600	70P4B01
1/31/00	Dell Lattitude C600	GLNPB01
2/20/01	Systemax Venture 750d	3959417
2/20/01	Systemax Venture 750d	3958762
2/20/01	Systemax Venture 750d	3959424
2/20/01	Systemax Venture 750d	3959416

2/20/01	Systemax Excite T800	3907049
2/20/01	Systemax Excite T800	3907064
3/21/01	Sun Ultra Workstation	PR87010771
2/5/00	Sony F430 PIII	
3/14/00	Latitude CPxH5000GT	FBE79
3/14/00	Latitude CPxH5000GT	FBE7M
3/14/00	Latitude CPxH5000GT	FBE7V
3/14/00	Latitude CPxH5000GT	FBE7W
3/17/00	Sony F430 PIII	0003-865-482-324
3/14/00	Panaboard W/Stand	
TELEPHONE SYSTEM		
06/01/00	INTERTEL TELEPHONE SYSTEM	

</TABLE>

2.8.3 RECEIVABLES.

None

2.8.4 PAYABLES.

Aaron Rents, Inc.	331.48
American Express	6,272.00
AT&T Wireless Services	1,517.20
BellSouth	34.00
Betsey Gourley	440.76
Clinton Wolf	582.54
Dorsey & Whitney	52,652.90
Duplicating Products, Inc	44.76
Global Computer Supplies	1,888.07
Jeffrey Smith	2,963.87
Kathleen Carey	8,324.55
MCI Worldcom Communications	6,843.21
MCI Worldcom Conferencing	418.61
NxGEN Data Research, Inc	30,000.00
Paul, Hastings, Janofsky &	12,092.98
Principal Life	4,575.37
Q6 Technologies	22,500.00
Roland Noll	2,070.85
Streaming Magazine	400.00
Trademark Research Corp	1,500.00
Total	155,453.15

2.8.5 CONTRACTS.

CacheStream has entered into an eleven month sublease for its offices at:

3500 PARKWAY LANE
SUITE 280
NORCROSS, GA 30092

MONTHLY RENT IS $7,783.50 AND EXPIRES ON JANUARY 31, 2001.

CACHE HAS ENTERED INTO THE EMPLOYMENT AGREEMENTS DETAILED IN SCHEDULE 2.8.7.

CACHE HAS ISSUED A WARRANT FOR 37,500 SHARES OF STOCK TO Q6 TECHNOLOGIES, INC.

CACHE HAS ENTERED SOFTWARE LICENSE AGREEMENTS WITH THE FOLLOWING LICENSEES:

WORLDSPACE CORPORATION
ETNETWORKS, INC.
INTELSAT
VIACAST

2.8.6 LICENSES; PERMITS.

NONE

2.8.7 Employment Agreements

Employment Agreements

	COMPENSATION	
OFFICER/MANAGER NAME	BASE	INCENTIVE
Jeffrey L. Smith	$180,000	$ 90,000
ROLAND NOLL	$150,000	40,000
CLINTON WOLF	$150,000	40,000
SCOTT MAGNES	$150,000	40,000
KHANH MAI	$110,000	40,000
TOM GRIMES	$100,000	50,000

Employee Covenants Agreements

EMPLOYEE NAME	SALARY
Kathleen M. Carey	$ 55,000
NORMAN R. COX III	$ 70,000
THOMAS DONG	$ 90,000
BETSY GOURLEY	$ 70,000
MICHAEL HERRING	$ 50,000
MARK MAYNE	$ 75,000
TIM SMITH	$ 110,000
JOHN MAI	$ 75,000

2.8.8 INSURANCE POLICIES.

CACHE HAS A GROUP HEALTH INSURANCE POLICY WITH PRINCIPAL LIFE INSURANCE,

AND A GROUP DENTAL INSURANCE POLICY WITH HUMANA, INC.

CACHE WILL OBTAIN THE FOLLOWING INSURANCE POLICIES WITHIN 30 (THIRTY) DAYS OF CLOSING:

FIRE AND THEFT
ERRORS AND OMISSIONS
DIRECTORS AND OFFICERS
WORKMAN'S COMPENSATION

2.8.9 TRANSACTIONS WITH MANAGEMENT.

CACHE has entered into the employment agreements detailed in Schedule 2.8.7. CACHE has issued a warrant for 37,500 shares of stock to Q6 Technologies, Inc. None of the officers, directors, stockholders, or employees of CACHE owns, leases or licenses any interest in any asset used by CACHE in its business, other than solely by and through ownership of the capital stock of CACHE.

2.10 Absence of Certain Changes

All operations of CacheStream in Malaysia are in the process of being discontinued. The eight Malaysian employees were TERMINATED AS OF APRIL 30, 2001. THE OFFICE WILL BE SHUT DOWN OVER THE REMAINDER OF THE YEAR AS THE CORPORATE ENTITY IS DISSOLVED. CERTAIN EMPLOYEES MAY BE RETAINED ON A CONTRACT BASIS FROM TIME TO TIME AS NEEDED.

CACHESTREAM HAS CONTINUED TO BORROW CAPITAL FOR OPERATIONS AND HAS CONTINUED TO INCUR CONSOLIDATED LOSSES SINCE SEPTEMBER 30, 2000.

2.13 TAXES AND RETURNS.

CACHESTREAM HAS FILED AN EXTENSION FOR FISCAL 2000 CORPORATION INCOME TAXES.

EXHIBIT VI

CACHE INVESTMENT REPRESENTATION LETTER

(To be distributed to CACHE Shareholders prior to the Closing Date)

_____, 2001

Providence Capital IX, Inc.
Attn: Adam S. Clavell, Esq.

C/O Nadeau & Simmons, P.C.
1250 Turks Head Building
Providence, RI 02903

RE: INVESTMENT REPRESENTATION LETTER - PLAN AND AGREEMENT OF MERGER BETWEEN CACHESTREAM CORPORATION AND PROVIDENCE CAPITAL IX, INC.

Gentlemen:

In connection with the exchange of all of the outstanding capital stock of CACHESTREAM CORPORATION, a Colorado corporation (the "Company"), of which I am a stockholder, with PROVIDENCE CAPITAL IX, INC., a Colorado corporation ("Providence"), pursuant to a merger of the Company with and into Providence, converting the Company's common stock into the right to receive a certain number of shares of Providence's common stock, par value $.001 per share, as outlined in the Plan and Agreement of Merger (the "Plan of Merger"), the undersigned hereby makes the following certifications and representations with respect to the common stock that is being received by the undersigned pursuant to the Plan of Merger (the "Shares").

The undersigned is EITHER an "accredited investor," as that term is defined in Regulation D of the Securities Act of 1933, as amended (the "Securities Act") or prior to the acquisition of the Shares, (i) has been given an opportunity by Providence to ask questions and receive answers concerning the terms and conditions of the Merger and to obtain any additional information from Providence that is necessary to make an informed decision regarding the Merger, and (ii) has been advised by Providence of the limitations on resale.

By answering the questions listed below, the undersigned further represents that the undersigned has the educational background and the business and financial knowledge and experience necessary to evaluate the prospective investment in Providence:

1. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND, INDICATING DEGREES OBTAINED.

* a) PLEASE STATE YOUR PRESENT OCCUPATION, EMPLOYER, PRIMARY BUSINESS ADDRESS, AND BUSINESS PHONE NUMBER.

(b) PLEASE DESCRIBE YOUR OCCUPATIONAL HISTORY BRIEFLY. SPECIFIC EMPLOYERS NEED NOT BE IDENTIFIED. WHAT IS SOUGHT IS A

DESCRIPTION OF YOUR EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS.

3. PLEASE INDICATE YOUR PRIOR EXPERIENCE IN INVESTING IN NEW, SPECULATIVE, COMPANIES.

4. PLEASE INDICATE ANY OTHER RELEVANT INVESTMENT EXPERIENCE.

5. PLEASE DESCRIBE ANY PRE-EXISTING PERSONAL OR BUSINESS RELATIONSHIP BETWEEN YOU AND
PROVIDENCE, OR ANY OF ITS OFFICERS OR DIRECTORS.

6. IF YOU HAVE A BACKGROUND OR EXPERIENCE IN THE BUSINESS CONDUCTED BY PROVIDENCE, PLEASE DESCRIBE.

The undersigned represents and warrants that the undersigned is acquiring the Shares solely for the undersigned's account for investment and not with a view to or for sale or distribution of the Shares or any part thereof. The undersigned also represents that the entire legal and beneficial interest of the Shares the undersigned is acquiring is being acquired for, and will be held for, the undersigned's account only.

The undersigned understands that the Shares have not been registered under the Securities Act on the basis that no distribution or public offering of the Shares is to be effected. The undersigned realizes that the basis for the exemption may not be present if, notwithstanding the undersigned's representations, the undersigned has in mind merely acquiring the Shares for a fixed or determinable period in the future, or for a market rise, or for sale if the market does not rise. The undersigned has no such intention.

The undersigned recognizes that the Shares being acquired by the undersigned must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. The undersigned is aware that the Shares may not be sold pursuant to Rule 144 adopted under the Securities Act ("Rule 144") unless certain conditions are met including, among other things, (1) the availability of certain current public information about Providence, (2) the passage of required holding periods under Rule 144 and (3) compliance

with limitations on the volume of Shares which may be sold during any three-month period. The undersigned acknowledges that the certificates representing the Shares will be legended to reflect these restrictions.

The undersigned further agrees not to make any disposition of all or any part of the Shares being acquired in any event unless and until:

1. The Shares are transferred pursuant to Rule 144; or

2. PROVIDENCE SHALL HAVE RECEIVED A LETTER SECURED BY THE UNDERSIGNED FROM THE SECURITIES AND EXCHANGE COMMISSION STATING THAT NO ACTION WILL BE RECOMMENDED TO THE COMMISSION WITH RESPECT TO THE PROPOSED DISPOSITION; OR

3. There is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement; or

4. (I) THE UNDERSIGNED SHALL HAVE NOTIFIED PROVIDENCE OF THE PROPOSED DISPOSITION AND SHALL HAVE FURNISHED PROVIDENCE WITH A DETAILED STATEMENT OF THE CIRCUMSTANCES SURROUNDING THE PROPOSED DISPOSITION AND (II) THE UNDERSIGNED SHALL HAVE FURNISHED PROVIDENCE WITH EVIDENCE SATISFACTORY TO PROVIDENCE THAT SUCH DISPOSITION WILL NOT REQUIRE REGISTRATION OF SUCH SHARES UNDER THE SECURITIES ACT.

SIGNATURE

_____

PRINT NAME

_____

EXHIBIT VII

LEGAL OPINIONS

_____, 2001

CONFIDENTIAL

Mr. Jeffrey L. Smith
Cachestream Corporation
3500 Parkway Lane, Suite 280
Norcross, GA 30092

RE: PLAN AND AGREEMENT OF MERGER DATED _____, 2001
BETWEEN PROVIDENCE CAPITAL IX, INC. AND CACHESTREAM CORPORATION

Dear Mr. Smith:

We render herewith our opinion as to certain matters pursuant to the Plan and Agreement of Merger dated _____, 2001 (the "Plan"), made by and among Providence Capital IX, Inc. (the "Surviving Corporation" or "Providence") and CACHESTREAM CORPORATION, a Colorado corporation (the "Disappearing Corporation"), involved in the Section 4(2), 4(6) or Regulation D private placement of common shares of Providence (the "Shares"), conducted in compliance with the Securities Act of 1933 (the "Act").

In rendering our opinion, we have examined and relied upon the following:

(a) The Articles of Incorporation of the Surviving Corporation filed with the State of Colorado.

(b) The materials contained in the Plan, Disclosure Schedules and Certificates (the "Confidential Documents") concerning the transactions contemplated thereby and the issuance by the Surviving Corporation of up to thirteen million five hundred fifty-six thousand nine hundred eighty-two (13,556,982) common shares (the " Shares") to the Shareholders of the Disappearing Corporation on a pro rata basis;

(c) The Certificate of Good Standing dated _____, 2001, attached hereto as Exhibit "A" (the "Company's Certificate").

(d) Such other documents and instruments as we have deemed necessary in order to enable us to render the opinions expressed herein.

For the purposes of rendering this opinion, we have assumed that no person or entity has engaged in fraud or misrepresentation regarding the inducement relating to, or the execution or delivery of, the documents reviewed. Furthermore, we express no opinion as to the validity of any of the assumptions, form, or content of any financial or statistical data contained in the Confidential Documents. We do not assume any obligation to advise officers, directors, their advisors or representatives of the parties to the Plan, beyond the opinions specifically expressed herein. The terms used in this opinion shall have the meaning ascribed to them in the Plan and other documents relied upon in rendering our opinion.

SCOPE OF OPINION

This Opinion deals only with the specific legal issues explicitly addressed herein. We have made no independent review with respect to factual matters contained in the Documents and in any ancillary applicable documents and have assumed that all factual matters are accurate and complete. Notwithstanding anything to the contrary contained in this opinion, no opinion is expressed with respect to any factual matters or any matters involving the business judgment of the parties thereto.

GOVERNING LAW

The law covered by the opinions expressed herein is limited to the law of the State of Colorado and the Federal law of the United States of America.

SCOPE OF REVIEW

For the purpose of rendering the opinions contained herein, we have reviewed such documents and given consideration to such matters of law and fact as we have deemed appropriate in our professional judgment, including, but not limited to the Documents.

INFORMATION RELIED UPON

For the purpose of rendering the opinions contained herein, we have reviewed such documents and given consideration to such matters of law and fact as we have deemed appropriate in our professional judgment. We have relied upon information (including statements having the effect of legal conclusions) in certificates and other documents issued by government officials, offices or agencies concerning the Company's property or status (the "Public Authority Documents"'), which we reasonably believe to be an appropriate source for the information provided, without (i) investigation or (ii) analysis of any underlying data supporting information contained in any certificate or other document.

Based upon the assumptions set forth below, our review of the above

documents and our reliance, as to factual matters, upon the representations identified in paragraphs (a)-(d) above, and subject to the qualifications listed herein, we are of the opinion that:

1. The Surviving Corporation is a duly organized and validly existing corporation under the laws of the State of Colorado, and upon the filing of required state documents with the appropriate authorities, is fully authorized to transact the business in which it is engaged in accordance with the Plan and as described in the Confidential Documents.

2. The Shares, when issued, will be validly and legally issued under the laws of the State of Colorado. The Shares, when issued, will be fully paid and non-assessable.

3. The Shares, when issued, will conform in all material respects to all statements concerning them contained in the Confidential Documents.

4. In our opinion, the Shares have been validly authorized by the Company.

5. The Plan has been duly authorized, executed and delivered and is a valid and binding agreement of the Surviving Corporation, having adequate authorization and having taken all action necessary to authorize the indemnification provisions contained therein; provided, however, that no opinion is rendered as to the validity or enforceability of such indemnification provisions insofar as they are or may be held to be violative of public policy (under either state or federal law) against such types of provisions in the context of the offer, offer for sale, or sale of securities.

6. In addition to the Shares, the existing shareholders of Providence, listed on Exhibit "C", attached hereto, hold an aggregate of 750,000 shares (the "Providence Commons Stock"). The shares of Providence Common Stock are among those registered on the S-8.

ASSUMPTIONS

For the purposes of this Opinion, we have assumed, without investigation, that:

(a) The Company holds the requisite title and rights to its property.

(b) The Company and Shareholders have satisfied those legal requirements that are applicable to it to the extent necessary to make the transactions described above (hereinafter the "Transactions") enforceable against them.

(c) Each document submitted to me for review is accurate and complete; each such document that is an original is authentic; each such document

that is a copy conforms to an authentic original; and all signatures on each such document are authentic.

(d) Each Public Authority Document is accurate, complete and authentic, and all official public records (including their property indexing and filing) are accurate and complete.

(e) There has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence.

(f) The conduct of the Company, the Shareholders and any assigns has complied with any requirement of good faith, fair dealing and conscionability.

(g) The parties to the Transactions have acted in good faith and without notice of any defense against the enforcement of any rights created by, or adverse claim to any property or interest transferred or created as part of, the Transactions.

(h) There are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Documents.

(i) All statutes, judicial and administrative decisions, and rules and regulations of governmental agencies, constituting the law of the State of Colorado, are generally available (i.e., in terms of access and distribution following publication or other release) to lawyers practicing in Colorado, and are in a format that makes legal research reasonable feasible.

(j) The constitutionality or validity of a relevant statute, rule, regulation or agency action is not in issue unless a reported decision in Colorado has specifically addressed but not resolved, or has established its' unconstitutionality or invalidity.

(k) The parties to the Transactions will not in the future take any discretionary action (including a decision not to act) permitted under the Documents that would result in a violation of law or constitute a breach or default under the Documents.

(l) All parties to the Transactions will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Documents.

NO ACTUAL KNOWLEDGE INCONSISTENT WITH ASSUMPTIONS

We have no actual knowledge that the assumptions set forth above and which we have relied upon in rendering the opinions herein are false nor do we have actual knowledge of facts that, under the circumstances, would make

our reliance on the information and assumptions unreasonable.

BANKRUPTCY AND INSOLVENCY EXCEPTION

The opinions expressed above are subject to the effect of bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws affecting the rights and remedies of creditors generally. This exception includes without limitation the Federal Bankruptcy Code; all other Federal and Colorado bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement and assignment for the benefit of creditors laws that affect the rights and remedies of creditors generally (and not just creditors of specific types of debtors); Colorado and Federal fraudulent transfer and conveyance laws; and judicially developed doctrines relevant to any of the foregoing laws, such as substantive consolidation of entities.

EQUITABLE PRINCIPLES LIMITATION

The opinions expressed above are subject to the effect of general principles of equity, whether applied by a court of law or equity. This limitation includes principles:

(a) governing the availability of specific performance, injunctive relief or other equitable remedies, which generally place the award of such remedies, subject to certain guidelines' in the discretion of the court to which application for such relief is made;

(b) affording equitable defenses (for example, waiver, laches and estoppel) against a party seeking enforcement;

(c) requiring good faith and fair dealing in the performance and enforcement of a contract by the party seeking its enforcement;

(d) requiring reasonableness in the performance and enforcement of a contract by the party seeking its enforcement;

(e) requiring consideration of the materiality of (i) the breach and (ii) the consequences of the breach to you;

(f) requiring consideration of the impracticability or impossibility of performance at the time of attempted enforcement; and

(g) affording defenses based upon the unconscionability of the enforcing party's conduct after the parties have entered into the contract.

OTHER QUALIFICATIONS

The opinions expressed above are subject to the effect of the application

of generally applicable rules of law that:

(a) limit or affect the enforcement of provisions of a contract that purport to require waiver of the obligations of good faith, fair dealing, diligence and reasonableness;

(b) provide that forum selection clauses in contracts are not necessarily binding on the courts;

(c) limit the availability of a remedy under certain circumstances where another remedy has been elected;

(d) limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct;

(e) may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange;

(f) govern and afford judicial discretion regarding the determination of damages and entitlement to attorneys' fees and other costs;

(g) may permit a party who has materially failed to render or offer performance required by the contract to cure that failure, unless (i) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (ii) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract;

(h) limit the enforceability of any provisions of any Document that waives procedural, judicial or substantive rights, such as rights to notice, right to a jury trial, statutes of limitations and marshaling of assets; or

LEGAL ISSUES NOT ADDRESSED

This Opinion does not address legal issues, if any, arising under any of the following:

(a) pension and employee benefit laws and regulations;

(b) antitrust and unfair competition laws and regulations;

(c) laws and regulations concerning filing and notice requirements other than requirements applicable to charter-related documents such as articles of merger;

(d) compliance with fiduciary duty requirements;

(e) environmental laws and regulations;

(f) land use and subdivision laws and regulations;

(g) tax laws and regulations;

(h) Federal patent and copyright laws and regulations and Federal and state trademark and other intellectual property laws and regulations;

(i) racketeering laws and regulations;

(j) health and safety laws and regulations;

(k) labor laws and regulations;

(l) laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, and (iii) criminal and civil forfeiture laws; or

(m) other statutes of general application to the extent they provide for criminal prosecution.

"ACTUAL KNOWLEDGE" DEFINED

For the purposes of this Opinion, the phrases "our actual knowledge" or "actually known to us" mean the conscious awareness of facts or other information (i) by the lawyers in this firm who have given substantive legal attention to the representation of the Company in connection with the Transactions, and (ii) solely as to information relevant to a particular opinion, issue or confirmation regarding a particular factual matter, by any lawyer in our firm who is primarily responsible for providing the response concerning that particular opinion, issue or confirmation.

NO OBLIGATION TO UPDATE

The opinions herein are expressed as of the date of this Opinion, and we undertake no obligation to advise you of changes of law or fact that occur after the date of this Opinion.

RELIANCE UPON OPINION

Our opinion is limited to the specific opinions expressed above. No other opinions are intended to be inferred therefrom. This opinion is addressed to and is for the benefit solely of _____ and its Board of Directors, and no other person or persons shall be furnished a copy of this opinion or are entitled to rely on the contents herein without

our express written consent. In the event that any of the facts are different from those which have been furnished to us and upon which we have relied, the conclusions as set forth above cannot be relied upon.

Very truly yours,

Nadeau & Simmons, P.C.

MTT/jet
cc:

EXHIBIT VIII

SCHEDULE OF EMPLOYEES

JEFFREY L. SMITH
THOMAS GRIMES
ROLAND N. NOLL, JR.
CLINTON WOLF
SCOTT MAGNES
JOHN MAI
KHANH MAI
TIM SMITH
CHRISTINE LOGUE
CHRISTIAN TREPANIER
YVAN GODBOUT
ROSS COX
MICHAEL HERRING
MARK MAYNE
THOMAS DONG
KATHLEEN CAREY
BETSY GOURLEY
SERGE RACINE

EXHIBIT IX

CERTIFICATE OF BOARD OF DIRECTORS
OF
CAPITALIZATION OF CACHESTREAM CORPORATION

CERTIFICATE

THE BOARD OF DIRECTORS

OF

CACHESTREAM CORPORATION

The following individuals represent that the following Section 2.5 of the Plan and Agreement of Merger dated _____, 2001 (the "Plan"), made by and among PROVIDENCE CAPITAL IX, INC., a Colorado corporation ("PROVIDENCE"), and CACHESTREAM CORPORATION ("CACHE"), a Colorado corporation is an accurate representation as of the date of execution of the Plan:

2:1:6 Capitalization of CACHE and Subsidiaries.

(a) The authorized capital stock of CACHE consists of twenty million (20,000,000) shares of CACHE common stock, $.01 par value per share, of which _____ (_____) shares are issued and outstanding or are reserved for issuance prior to the Closing Date. The CACHE shares are validly issued, fully paid and non-assessable and not subject to preemptive rights. Section 2.5 of the Disclosure Schedule sets forth a true, complete and correct list of (i) the holders of record of the issued and outstanding shares of CACHE common stock, and (ii) all claims, commitments or agreements to which CACHE is a party or by which it is bound, obligating CACHE to issue, deliver or sell, or to cause to be issued, delivered or sold, additional shares of common stock of CACHE or obligating CACHE to grant, extend or enter into any such option, warrant, call, right or agreement with respect to its capital stock. There are, and as of the Effective Time there will be, no agreements obligating CACHE to redeem, repurchase or otherwise acquire the common stock of CACHE, or any other securities issued by it, or to register the sale of the common stock of CACHE under applicable securities laws. There are, and as of the Effective Time there will be, no agreements or arrangements prohibiting or otherwise restricting the payment of dividends or distributions to the CACHE Shareholders by CACHE.

THE BOARD OF DIRECTORS,
CACHESTREAM CORPORATION

_____
John J. Cusick

_____
Richard E. Hyman

_____
Jeffrey L. Smith

DATED: _____, 2001

EXHIBIT X

CERTIFICATE OF BOARD OF DIRECTORS OF PROVIDENCE

CERTIFICATE OF BOARD OF DIRECTORS
OF CAPITALIZATION
OF PROVIDENCE CAPITAL IX, INC.

The undersigned, being all the Directors of Providence Capital IX, Inc. (the "Corporation"), hereby state that, as of the date hereof; the statements below represent the Capitalization of a the Corporation and Subsidiaries (if any):

(a) THE AUTHORIZED CAPITAL STOCK OF THE CORPORATION CONSISTS OF FIFTY MILLION (50,000,000) SHARES OF PREFERRED STOCK, $.001 PAR VALUE PER SHARE (THE "PREFERRED SHARES"), OF WHICH NO SHARES ARE OUTSTANDING; AND FIFTY MILLION (50,000,000) SHARES OF THE CORPORATION'S COMMON STOCK, $0.001 PAR VALUE PER SHARE, OF WHICH ONE MILLION SEVEN HUNDRED THOUSAND (1,700,000) SHARES (THE "PROVIDENCE SHARES") ARE ISSUED AND OUTSTANDING. THE PROVIDENCE SHARES ARE VALIDLY ISSUED, FULLY PAID AND NON-ASSESSABLE AND NOT SUBJECT TO PREEMPTIVE RIGHTS. THERE ARE NO AGREEMENTS OBLIGATING THE CORPORATION TO REDEEM, REPURCHASE OR OTHERWISE ACQUIRE THE CAPITAL STOCK OF THE CORPORATION, OR ANY OTHER SECURITIES ISSUED BY IT, OR TO REGISTER THE SALE OF THE CAPITAL STOCK OF THE CORPORATION UNDER APPLICABLE SECURITIES LAWS. THERE ARE NO AGREEMENTS OR ARRANGEMENTS PROHIBITING OR OTHERWISE RESTRICTING THE PAYMENT OF DIVIDENDS OR DISTRIBUTIONS TO THE CORPORATION'S SHAREHOLDERS BY THE CORPORATION.

IN WITNESS WHEREOF, THE UNDERSIGNED DIRECTORS HAVE HEREUNTO SET THEIR HANDS IN SAID CAPACITY THIS DAY OF APRIL, 2001

Richard Nadeau, Jr.

James R. Simmons

Mark T. Thatcher

EXHIBIT XI

CACHESTREAM CORPORATION

Investment Banking Services Agreement ("Agreement")

COMPANY:	CacheStream Corporation ("CacheStream")
INVESTMENT BANKER:	Dunwoody Brokerage Services, Inc. d/b/a/ Swartz Institutional Finance ("Swartz").
INVESTMENT BANKING AND ADVISORY SERVICES:	Swartz shall provide Investment Banking and Advisory Services ("Services") to CacheStream. These Services shall include, but not be limited to, structuring and negotiating transactions involving entities seeking to make an investment into CacheStream or into whom CacheStream makes an investment or enters into a strategic partnership, licensing agreement, stock swap deal, merger, acquisition or any other transaction with CacheStream (collectively referred to as "Covered Transactions"). The proposed business combination ("Acquisition Transaction") with Providence Capital IX, Inc. ("Providence") shall be included as a Covered Transaction. The aforementioned entities shall be referred to as "Strategic Partners." All Strategic Partners introduced by Swartz shall be initially submitted in writing by Swartz and confirmed in writing via Schedule A attached hereto by CacheStream prior to being pursued by Swartz. CacheStream may also introduce Strategic Partners to Swartz and these Strategic Partners shall also be confirmed in writing via Schedule A attached hereto. As compensation for Services, except for the Acquisition Transaction, CacheStream shall pay Swartz a Fee (as defined below) of X% of the Transaction Value (as defined below) of the transaction between CacheStream and the Strategic Partners payable in accordance with the description under the Fee section at the time of closing of each transaction. To the extent that Swartz is paid in CacheStream Common Stock ("Stock"), then the Stock will be valued at the Market Price (as defined below) on the closing date of such transaction. As compensation for Services rendered in conjunction with the Merger, CacheStream shall pay Swartz a fee as defined below under Providence Fee.
PROVIDENCE FEE:	Swartz shall receive a fee ("Providence Fee") of 2% of the fully-diluted shares of CacheStream prior to the Acquisition Termination payable in Stock. The Providence Fee shall be due and payable within 3 business days of execution of the Letter of Intent between CacheStream and Providence. The Providence Fee

shall have anti-dilution provisions following any reverse-stock-splits and shall have a term that expires upon the completion of the Merger such that the fee shall be 2% of the fully-diluted shares of CacheStream immediately post-Merger. Anti-dilution rights are activated upon certain events which include but are not limited to stock splits, stock reclassifications, stock dividends, corporate reorganizations, and mergers.

FEE: For purposes of this Fee Scale, each transaction shall be considered separately.

For Strategic Partners introduced by CacheStream:
1% of Transaction Value in cash, and
1% of Transaction Value in Stock.

For Strategic Partners introduced by Swartz:
1%of Transaction Value in cash,
1% of Transaction Value in Stock, and
Warrants to purchase a number of shares of Stock registered for resale equal to 2% of the Transaction Value divided by the Market Price on the closing date of such transaction, exercisable at $1.42.

TRANSACTION VALUE AND TRANSACTIONS WITH NO DEFINED TRANSACTION VALUE: "Transaction Value" shall mean the dollar amount or value of the subject transaction, provided that the value of any transaction arranged by Swartz, which does not entail a defined dollar amount will be a defined dollar or Stock value determined by CacheStream and Swartz in writing prior to closing (the "Defined Value"). For any such transaction, Swartz shall receive from CacheStream X% of the Defined Value payable in accordance with the description under Fee.

Market Price: PRIVATE COMPANY: Market Price shall equal the Investors', Strategic Partners' or Third Party Funding Sources' purchase price per share paid by such entity. In the event debt or equity securities convertible into Common Stock are issued ("Convertible Securities"), Market Price shall equal the Convertible Securities conversion price. In the event no Common Stock or Convertible Securities are issued, Market Price shall equal the last price paid by investors that exceeds $1 million in a private placement.

PUBLIC COMPANY: In the event that CacheStream is a publicly traded company, Market Price shall equal the lesser of (i) the lowest closing bid price of the Common Stock for the 5 trading days immediately preceding the date of execution by CacheStream of a Letter of Intent to complete a Covered Transaction, or

(ii) the lowest closing bid price of the Common Stock for the 5 trading days immediately preceding the closing date of a Covered Transaction.

Disputes as to Transaction Value, Defined Value or Market Price: Should the parties hereto not agree on the Defined Value, Transaction Value, or Market Price as each is defined above, CacheStream agrees to forego and not circumvent Swartz with respect to any transaction with any Strategic Partners, or any affiliate thereof, until such time as the parties hereto can agree on the Defined Value.

Non-Circumvention: Any potential Investor or Strategic Partner (a Swartz Client) to whom Swartz introduces CacheStream shall be considered, for purposes of this Agreement, the property of Swartz ("Swartz Client"). In the event that CacheStream enters into a Covered Transaction with a Swartz Client for a period of 60 months from the date of written confirmation of introduction of said Swartz Client, CacheStream agrees to pay to Swartz a fee as stated above at the time of closing.

No Obligation: CacheStream may, in its sole and absolute discretion, choose not to close any Covered Transaction with any Swartz Client. CacheStream shall have no obligation to pay Swartz any fees or issue any Stock or warrants to Swartz to the extent CacheStream rejects such Covered Transaction.

Warrants Referenced in this Agreement: Warrants referenced herein shall have piggyback registration rights and shall have a 5-year term.

Termination: CacheStream and Swartz have the right to submit written notice of their respective intent to terminate the Agreement. This Agreement, except as to the Non-Circumvention Section, shall be deemed terminated within 30 days of receipt of the written notice of termination from either CacheStream or Swartz.

Effective Date: This Agreement shall be considered effective as of April ___, 2001, subject to the execution of this Agreement by all signatories. This Agreement shall supercede in its entirety, the Consulting Services Agreement dated February 21, 2001, between Swartz Investments, LLC, and CacheStream.

DUNWOODY BROKERAGE SERVICES, INC. CACHESTREAM CORPORATION

By: By:

Robert Hopkins, President Print Name:

Date:_____ Title: Date:

SWARTZ INSTITUTIONAL FINANCE

By:

Eric Swartz, OSJ

Date:

CACHESTREAM

SCHEDULE A

Pursuant to the executed Investment Banking Services Agreement ("Agreement"), dated April , 2001, CACHESTREAM hereby confirms that Swartz has permission to introduce CACHESTREAM to:

1 PROVIDENCE CAPITAL IX, INC.
2 BRENNAN DYER & COMPANY, LLC

The above named COMPANY(IES) shall be covered under the terms as agreed upon in the executed Agreement. This signed Schedule A will act as written confirmation for Swartz to make THIS/THESE introduction(S).

CacheStream Corporation

By:

Print Name: _____

Title: _____

Date: _____

ARTICLES OF MERGER

(To be completed prior to the Closing Date)

PROVIDENCE CAPITAL IX, INC.

and

CACHESTREAM CORPORATION

ARTICLES OF MERGER

Pursuant to the provisions of the Colorado Business Corporation Act (CRS 7-111-107, et seq., as amended) the undersigned corporations adopt the following Articles of Merger:

FIRST: Attached hereto as Exhibit A is the Plan and Agreement of Merger, (without the Exhibits) of PROVIDENCE CAPITAL IX, INC., a Colorado corporation and CACHESTREAM CORPORATION, a Colorado corporation.

SECOND: The Plan and Agreement of Merger was duly adopted and recommended to the shareholders by the Board of Directors of PROVIDENCE CAPTIAL IX, INC. on _____, 2001, and by the Board of Directors of CACHESTREAM CORPORTION on _____ 2001, and approved by the shareholders of PROVIDENCE CAPITAL IX, INC. on _____, 2001, and by the shareholders of CACHESTREAM CORPORATION, on _____, 2001, in the manner prescribed by Sec. 7-111-105(1)(c) of the Colorado Business Corporation Act.

Accordingly, the number of shares voted for the Plan and Agreement of Merger by each voting group was, with respect to each corporation, sufficient for approval by that voting group.

THIRD: On the date these Articles of Merger are filed with the Colorado Secretary of State, they shall be effective and CACHESTREAM CORPORATION shall merge into PROVIDENCE CAPTIAL IX, INC. and the first sentence of Article I of the Articles of Incorporation of PROVIDENCE CAPITAL IX, INC. shall be amended to read as follows: "The name of the corporation shall be CACHESTEAM CORPORATION."

IN WITNESS WHEREOF, the following persons have duly executed and verify these Articles of Merger this _____ day of _____, 2001.

PROVIDENCE CAPITAL IX, INC.,
a Colorado corporation

By:_____
RICHARD NADEAU, JR.,
Chairman and President

CACHESTREAM CORPORATION,
a Colorado corporation

By:_____
JEFFREY L. SMITH,
Its President

PROVIDENCE CAPITAL IX, INC.

INVESTMENT AGREEMENT

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE OR OTHER SECURITIES AUTHORITIES. THEY MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE FEDERAL AND STATE SECURITIES LAWS.

THIS INVESTMENT AGREEMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, ANY OF THE SECURITIES DESCRIBED HEREIN BY OR TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES AUTHORITIES, NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

AN INVESTMENT IN THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK. THE INVESTOR MUST RELY ON ITS OWN ANALYSIS OF THE INVESTMENT AND ASSESSMENT OF THE RISKS INVOLVED. SEE THE RISK FACTORS SET FORTH IN THE ATTACHED DISCLOSURE DOCUMENTS AS EXHIBIT I.

SEE ADDITIONAL LEGENDS AT SECTIONS 4.7.

THIS INVESTMENT AGREEMENT (this "Agreement" or "Investment Agreement") is made as of the 29th day of March, 2001, by and between Providence Capital IX, Inc., a corporation duly organized and existing under the laws of the State of Colorado (the "Company"), and the undersigned Investor executing this Agreement ("Investor").

RECITALS:

WHEREAS, the parties desire that, upon the terms and subject to the conditions contained herein, the Company shall issue to the Investor, and the Investor shall purchase from the Company, from time to time as provided herein, shares of the Company's Common Stock, as part of an offering of up to Ten Million (10,000,000) shares Common Stock by the Company to Investor (the "Maximum Offering Amount"); and

WHEREAS, the solicitation of this Investment Agreement and, if accepted by the Company, the offer and sale of the Common Stock are being made in reliance upon the provisions of Regulation D ("Regulation D") promulgated under the Act, Section 4(2) of the Act, and/or upon such other exemption from the registration requirements of the Act as may be available

with respect to any or all of the purchases of Common Stock to be made hereunder.

TERMS:

NOW, THEREFORE, the parties hereto agree as follows:

1. CERTAIN DEFINITIONS. As used in this Agreement (including the recitals above), the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"20% Approval" shall have the meaning set forth in Section 5.25.

"9.9% Limitation" shall have the meaning set forth in Section 2.3.1(f).

"Accredited Investor" shall have the meaning set forth in Section 3.1.

"Act" shall mean the Securities Act of 1933, as amended.

"Advance Put Notice" shall have the meaning set forth in Section 2.3.1(a), the form of which is attached hereto as EXHIBIT D.

"Advance Put Notice Confirmation" shall have the meaning set forth in Section 2.3.1(a), the form of which is attached hereto as EXHIBIT E.

"Advance Put Notice Date" shall have the meaning set forth in Section 2.3.1(a).

"Affiliate" shall have the meaning as set forth Section 6.4.

"Aggregate Issued Shares" equals the aggregate number of shares of Common Stock issued to Investor pursuant to the terms of this Agreement or the Registration Rights Agreement as of a given date, including Put Shares and Warrant Shares.

"Agreed Upon Procedures Report" shall have the meaning set forth in Section 2.5.3(b).

"Agreement" shall mean this Investment Agreement.

"Automatic Termination" shall have the meaning set forth in Section 2.3.2.

"Bring Down Cold Comfort Letters" shall have the meaning set forth in Section 2.3.7(b).

"Business Day" shall mean any day during which the Principal Market is open for trading.

"Calendar Month" shall mean the period of time beginning on the numeric day in question in a calendar month and for Calendar Months thereafter, beginning on the earlier of (i) the same numeric day of the next calendar month or (ii) the last day of the next calendar month. Each Calendar Month shall end on the day immediately preceding the beginning of the next succeeding Calendar Month.

"Cap Amount" shall have the meaning set forth in Section 2.3.11.

"Capital Raising Limitations" shall have the meaning set forth in Section 6.5.1.

"Capitalization Schedule" shall have the meaning set forth in Section 3.2.4, attached hereto as EXHIBIT J.

"Change in Control" shall have the meaning set forth within the definition of Major Transaction, below.

"Closing" shall mean one of (i) the Investment Commitment Closing and (ii) each closing of a purchase and sale of Common Stock pursuant to Section 2.

"Closing Bid Price" means, for any security as of any date, the last closing bid price for such security during Normal Trading on the O.T.C. Bulletin Board, or, if the O.T.C. Bulletin Board is not the principal securities exchange or trading market for such security, the last closing bid price during Normal Trading of such security on the principal securities exchange or trading market where such security is listed or traded as reported by such principal securities exchange or trading market, or if the foregoing do not apply, the last closing bid price during Normal Trading of such security in the over-the-counter market on the electronic bulletin board for such security, or, if no closing bid price is reported for such security, the average of the bid prices of any market makers for such security as reported in the "pink sheets" by the National Quotation Bureau, Inc. 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 mutually determined by the Company and the Investor in this Offering. If the Company and the Investor in this Offering are unable to agree upon the fair market value of the Common Stock, then such dispute shall be resolved by an investment banking firm mutually acceptable to the Company and the Investor in this offering and any fees and costs associated therewith shall be paid by the Company.

"Commitment Evaluation Period" shall have the meaning set forth in Section 2.6.

"Commitment Period" shall have the meaning set forth in Section 2.3.2(d).

"Commitment Warrants" shall have the meaning set forth in Section

2.4.1, the form of which is attached hereto as EXHIBIT P.

"Common Shares" shall mean the shares of Common Stock of the Company.

"Common Stock" shall mean the common stock of the Company.

"Company" shall mean Providence Capital IX, Inc., a corporation duly organized and existing under the laws of the State of Colorado.

"Company Designated Maximum Put Dollar Amount" shall have the meaning set forth in Section 2.3.1(a).

"Company Designated Minimum Put Share Price" shall have the meaning set forth in Section 2.3.1(a).

"Company Termination" shall have the meaning set forth in Section 2.3.12.

"Conditions to Investment Commitment Closing" shall have the meaning as set forth in Section 2.2.2.

"Delisting Event" shall mean any time during the term of this Investment Agreement, that the Company's Common Stock is not listed for and actively trading on the O.T.C. Bulletin Board, the Nasdaq Small Cap Market, the Nasdaq National Market, the American Stock Exchange, or the New York Stock Exchange or is suspended or delisted with respect to the trading of the shares of Common Stock on such market or exchange.

"Disclosure Documents" shall have the meaning as set forth in Section 3.2.4.

"Due Diligence Review" shall have the meaning as set forth in Section 2.5.

"DWAC Put Shares" shall mean Put Shares, in electronic form, without restriction on resale, that are delivered to the Depository Trust Company DWAC account specified by the Investor for the Put Shares.

"Effective Date" shall have the meaning set forth in Section 2.3.1.

"Equity Securities" shall have the meaning set forth in Section 6.5.1.

"Evaluation Day" shall have the meaning set forth in Section 2.3.1(b).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Day" shall have the meaning set forth in Section 2.3.1(b).

"Extended Put Period" shall mean the period of time between the Advance Put Notice Date until the Pricing Period End Date.

"Impermissible Put Cancellation" shall have the meaning set forth in Section 2.3.1(e).

"Indemnified Liabilities" shall have the meaning set forth in Section 9.

"Indemnities" shall have the meaning set forth in Section 9.

"Indemnitor" shall have the meaning set forth in Section 9.

"Individual Put Limit" shall have the meaning set forth in Section 2.3.1 (b).

"Ineffective Period" shall have the meaning given to it in the Registration Rights Agreement.

"Ineffective Registration Payment" shall have the meaning given to it in the Registration Rights Agreement.

"Intended Put Share Amount" shall have the meaning set forth in Section 2.3.1(a).

"Investment Commitment Closing" shall have the meaning set forth in Section 2.2.1.

"Investment Agreement" shall mean this Investment Agreement.

"Investment Commitment Opinion of Counsel" shall mean an opinion from Company's independent counsel, substantially in the form attached as EXHIBIT B, or such other form as agreed upon by the parties, as to the Investment Commitment Closing.

"Investment Date" shall mean the date of the Investment Commitment Closing.

"Investor" shall have the meaning set forth in the preamble hereto.

"Late Payment Amount" shall have the meaning set forth in Section 2.3.9.

"Legend" shall have the meaning set forth in Section 4.7.

"Major Transaction" shall mean and shall be deemed to have occurred at such time upon any of the following events:

(i) a consolidation, merger or other business combination or event or transaction following which the holders of Common Stock of the Company immediately preceding such consolidation, merger, combination or event either (i) no longer hold a majority of the shares of Common Stock of the Company or (ii) no longer have the ability to elect the board of

directors of the Company (a "Change of Control");

(ii) the sale or transfer of a portion of the Company's assets not in the ordinary course of business;

(iii) the purchase of assets by the Company not in the ordinary course of business; or

(iv) a purchase, tender or exchange offer made to the holders of outstanding shares of Common Stock.

"Market Price" shall equal the lowest Closing Bid Price for the Common Stock on the Principal Market during the Pricing Period for the applicable Put.

"Material Facts" shall have the meaning set forth in Section 2.3.7(a).

"Maximum Put Dollar Amount" shall mean the lesser of (i) the Company Designated Maximum Put Dollar Amount, if any, specified by the Company in a Put Notice, and (ii) $2 million.

"Maximum Offering Amount" shall mean have the meaning set forth in the recitals hereto.

"NASD" shall have the meaning set forth in Section 6.9.

"Nasdaq 20% Rule" shall have the meaning set forth in Section 2.3.11.

"Non-Usage Fee" shall have the meaning set forth in Section 2.6.

"Normal Trading" shall mean trading that occurs between 9:30 AM and 4:00 PM, New York City Time, on any Business Day, and shall expressly exclude "after hours" trading.

"Numeric Day" shall mean the numerical day of the month of the Investment Date or the last day of the calendar month in question, whichever is less.

"NYSE" shall have the meaning set forth in Section 6.9.

"Offering" shall mean the Company's offering of Common Stock and Warrants issued under this Investment Agreement.

"Officer's Certificate" shall mean a certificate, signed by an officer of the Company, to the effect that the representations and warranties of the Company in this Agreement required to be true for the applicable Closing are true and correct in all material respects and all of the conditions and limitations set forth in this Agreement for the applicable Closing are satisfied.

"Opinion of Counsel" shall mean, as applicable, the Investment Commitment Opinion of Counsel, the Put Opinion of Counsel, and the

Registration Opinion.

"Payment Due Date" shall have the meaning set forth in Section 2.3.9.

"Pricing Period" shall mean, unless otherwise shortened under the terms of this Agreement, the period beginning on the Business Day immediately following the Put Date and ending on and including the date which is 20 Business Days after such Put Date.

"Pricing Period End Date" shall mean the last Business Day of any Pricing Period.

"Principal Market" shall mean the O.T.C. Bulletin Board, the Nasdaq Small Cap Market, the Nasdaq National Market, the American Stock Exchange or the New York Stock Exchange, whichever is at the time the principal trading exchange or market for the Common Stock.

"Proceeding" shall have the meaning as set forth Section 5.1.

"Purchase" shall have the meaning set forth in Section 2.3.8.

"Put" shall have the meaning set forth in Section 2.3.1(d).

"Put Closing" shall have the meaning set forth in Section 2.3.9.

"Put Closing Date" shall have the meaning set forth in Section 2.3.9.

"Put Date" shall mean the date that is specified by the Company in any Put Notice for which the Company intends to exercise a Put under Section 2.3.1, unless the Put Date is postponed pursuant to the terms hereof, in which case the "Put Date" is such postponed date.

"Put Dollar Amount" shall be determined by multiplying the Put Share Amount by the respective Put Share Prices with respect to such Put Shares, subject to the limitations herein.

"Put Interruption Date" shall have the meaning set forth in Section 2.3.4.

"Put Interruption Event" shall have the meaning set forth in Section 2.3.4.

"Put Interruption Notice" shall have the meaning set forth in Section 2.3.4.

"Put Notice" shall have the meaning set forth in Section 2.3.1(d), the form of which is attached hereto as EXHIBIT F.

"Put Notice Confirmation" shall have the meaning set forth in Section 2.3.1(d), the form of which is attached hereto as EXHIBIT G.

"Put Opinion of Counsel" shall mean an opinion from Company's independent counsel, in the form attached as EXHIBIT H, or such other form as agreed upon by the parties, as to any Put Closing.

"Put Share Amount" shall have the meaning as set forth Section 2.3.1(b).

"Put Share Price" shall have the meaning set forth in Section 2.3.1(c).

"Put Shares" shall mean shares of Common Stock that are purchased by the Investor pursuant to a Put.

"Registrable Securities" shall have the meaning as set forth in the Registration Rights Agreement.

"Registration Opinion" shall have the meaning set forth in Section 2.3.7(a), the form of which is attached hereto as EXHIBIT N.

"Registration Opinion Deadline" shall have the meaning set forth in Section 2.3.7(a).

"Registration Rights Agreement" shall mean that certain registration rights agreement entered into by the Company and Investor on even date herewith, in the form attached hereto as EXHIBIT A, or such other form as agreed upon by the parties.

"Registration Statement" shall have the meaning as set forth in the Registration Rights Agreement.

"Regulation D" shall have the meaning set forth in the recitals hereto.

"Reporting Issuer" shall have the meaning set forth in Section 6.2.

"Restrictive Legend" shall have the meaning set forth in Section 4.7.

"Required Put Documents" shall have the meaning set forth in Section 2.3.6.

"Right of First Refusal" shall have the meaning set forth in Section 6.5.2.

"Schedule of Exceptions" shall have the meaning set forth in Section 5, and is attached hereto as Exhibit C.

"SEC" shall mean the Securities and Exchange Commission.

"Securities" shall mean this Investment Agreement, together with the Common Stock of the Company, the Warrants and the Warrant Shares issuable pursuant to this Investment Agreement.

"Share Authorization Increase Approval" shall have the meaning set forth in Section 5.25.

"Stockholder 20% Approval" shall have the meaning set forth in Section 6.11.

"Supplemental Registration Statement" shall have the meaning set forth in the Registration Rights Agreement.

"Term" shall mean the term of this Agreement, which shall be a period of time beginning on the date of this Agreement and ending on the Termination Date.

"Termination Date" shall mean the earlier of (i) the date that is three (3) years or (ii) the date that is thirty (30) Business Days after the later of (a) the Put Closing Date on which the sum of the aggregate Put Share Price for all Put Shares equal the Maximum Offering Amount, (b) the date that the Company has delivered a Termination Notice to the Investor, (c) the date of an Automatic Termination, and (d) the date that all of the Warrants have been exercised.

"Termination Fee" shall have the meaning as set forth in Section 2.6.

"Termination Notice" shall have the meaning as set forth in Section 2.3.12.

"Third Party Report" shall have the meaning set forth in Section 3.2.4.

"Trading Volume " shall mean the volume of shares of the Company's Common Stock that trade between 9:30 AM and 4:00 PM, New York City Time, on any Business Day, and shall expressly exclude any shares trading during "after hours" trading.

"Transaction Documents" shall have the meaning set forth in Section 9.

"Transfer Agent" shall have the meaning set forth in Section 6.10.

"Transfer Agent Instructions" shall mean the Company's instructions to its transfer agent, substantially in the form attached as EXHIBIT O, or such other form as agreed upon by the parties.

"Trigger Price" shall have the meaning set forth in Section 2.3.1(b).

"Unlegended Share Certificates" shall mean a certificate or certificates (or electronically delivered shares, as appropriate) (in denominations as instructed by Investor) representing the shares of Common Stock to which the Investor is then entitled to receive, registered in the name of Investor or its nominee (as instructed by Investor) and not containing a restrictive legend or stop transfer order, including but not

limited to the Put Shares for the applicable Put and Warrant Shares.

"Volume Limitations" shall have the meaning set forth in Section 2.3.1(b).

"Warrant Antidilution Agreement" shall mean that certain Warrant Antidilution Agreement entered into by the Company and Investor on even date herewith, in the form attached hereto as EXHIBIT O, or such other form as agreed upon by the parties.

"Warrant Shares" shall mean the Common Stock issued or issuable upon exercise of the Warrants.

"Warrants" shall mean the Commitment Warrants.

2. PURCHASE AND SALE OF COMMON STOCK.

2.1 OFFER TO SUBSCRIBE.

Subject to the terms and conditions herein and the satisfaction of the conditions to closing set forth in Sections 2.2 and 2.3 below, Investor hereby agrees to purchase such amounts of Common Stock as the Company may, in its sole and absolute discretion, from time to time elect to issue and sell to Investor according to one or more Puts pursuant to Section 2.3 below.

2.2 INVESTMENT COMMITMENT.

2.2.1 INVESTMENT COMMITMENT CLOSING. The closing of this Agreement (the "Investment Commitment Closing") shall be deemed to occur when this Agreement, the Registration Rights Agreement, the Commitment Warrant and the Warrant Antidilution Agreement have been duly executed by both Investor and the Company, and the other Conditions to Investment Commitment Closing set forth in Section 2.2.2 below have been met.

2.2.2 CONDITIONS TO INVESTMENT COMMITMENT CLOSING. As a prerequisite to the Investment Commitment Closing, all of the following (the "Conditions to Investment Commitment Closing") shall have been satisfied prior to or concurrently with the Company's execution and delivery of this Agreement:

(a) the following documents shall have been delivered to the Investor: (i) the Registration Rights Agreement (executed by the Company and Investor), (ii) the Commitment Warrant, (iii) the Investment Commitment Opinion of Counsel (signed by the Company's counsel), (iv) the Warrant Antidilution Agreement (executed by the Company and Investor), and (v) a Secretary's Certificate as to (A) the resolutions of the Company's board of directors authorizing this transaction, (B) the Company's Certificate of Incorporation, and (C) the Company's Bylaws;

(b) this Investment Agreement, accepted by the Company, shall have been received by the Investor;

(c) the Company's Common Stock shall be listed for trading and actually trading on the O.T.C. Bulletin Board, the Nasdaq Small Cap Market, the Nasdaq National Market, the American Stock Exchange or the New York Stock Exchange;

(d) other than continuing losses described in the Risk Factors set forth in the Disclosure Documents (provided for in Section 3.2.4), up through the Investment Commitment Closing there have been no material adverse changes in the Company's business prospects or financial condition since the date of the last balance sheet included in the Disclosure Documents, including but not limited to incurring material liabilities; and

(e) the representations and warranties of the Company in this Agreement shall be true and correct in all material respects and the Conditions to Investment Commitment Closing set forth in this Section 2.2.2 shall have been satisfied on the date of such Investment Commitment Closing; and the Company shall deliver an Officer's Certificate, signed by an officer of the Company, to such effect to the Investor.

2.3 PUTS OF COMMON SHARES TO THE INVESTOR.

2.3.1 PROCEDURE TO EXERCISE A PUT. Subject to the Individual Put Limit, the Maximum Offering Amount and the Cap Amount (if applicable), and the other conditions and limitations set forth in this Agreement, at any time beginning on the date on which the Registration Statement is declared effective by the SEC (the "Effective Date"), the Company may, in its sole and absolute discretion, elect to exercise one or more Puts according to the following procedure, provided that each subsequent Put Date after the first Put Date shall be no sooner than five (5) Business Days following the preceding Pricing Period End Date:

(a) DELIVERY OF ADVANCE PUT NOTICE. At least ten (10) Business Days but not more than twenty (20) Business Days prior to any intended Put Date, the Company shall deliver advance written notice (the "Advance Put Notice," the form of which is attached hereto as EXHIBIT D, the date of such Advance Put Notice being the "Advance Put Notice Date") to Investor stating the Put Date for which the Company shall, subject to the limitations and restrictions contained herein, exercise a Put and stating the number of shares of Common Stock (subject to the Individual Put Limit and the Maximum Put Dollar Amount) which the Company intends to sell to the Investor for the Put (the "Intended Put Share Amount").

The Company may, at its option, also designate in any Advance Put Notice (i) a maximum dollar amount of Common Stock, not to exceed

$2,000,000, which it shall sell to Investor during the Put (the "Company Designated Maximum Put Dollar Amount") and/or (ii) a minimum purchase price per Put Share at which the Investor may purchase shares of Common Stock pursuant to such Put Notice (a "Company Designated Minimum Put Share Price"). The Company Designated Minimum Put Share Price, if applicable, shall be no greater than the lesser of (i) 80% of the Closing Bid Price of the Company's common stock on the Business Day immediately preceding the Advance Put Notice Date, or (ii) the Closing Bid Price of the Company's common stock on the Business Day immediately preceding the Advance Put Notice Date minus $0.15. The Company may decrease (but not increase) the Company Designated Minimum Put Share Price for a Put at any time by giving the Investor written notice of such decrease not later than 12:00 Noon, New York City time, on the Business Day immediately preceding the Business Day that such decrease is to take effect. A decrease in the Company Designated Minimum Put Share Price shall have no retroactive effect on the determination of Trigger Prices and Excluded Days for days preceding the Business Day that such decrease takes effect, provided that the Put Share Price for all shares in a Put shall be calculated using the lowest Company Designated Minimum Put Share Price, as decreased.

Notwithstanding the above, if, at the time of delivery of an Advance Put Notice, more than two (2) Calendar Months have passed since the date of the previous Put Closing, such Advance Put Notice shall provide at least twenty (20) Business Days notice of the intended Put Date, unless waived in writing by the Investor. In order to effect delivery of the Advance Put Notice, the Company shall (i) send the Advance Put Notice by facsimile on such date so that such notice is received by the Investor by 6:00 p.m., New York, NY time, and (ii) surrender such notice on such date to a courier for overnight delivery to the Investor (or two (2) day delivery in the case of an Investor residing outside of the U.S.). Upon receipt by the Investor of a facsimile copy of the Advance Put Notice, the Investor shall, within two (2) Business Days, send, via facsimile, a confirmation of receipt (the "Advance Put Notice Confirmation," the form of which is attached hereto as EXHIBIT E) of the Advance Put Notice to the Company specifying that the Advance Put Notice has been received and affirming the intended Put Date and the Intended Put Share Amount.

(b) PUT SHARE AMOUNT. The "Put Share Amount" is the number of shares of Common Stock that the Investor shall be obligated to purchase in a given Put, and shall equal the lesser of (i) the Intended Put Share Amount, and (ii) the Individual Put Limit. The "Individual Put Limit" shall equal the lesser of (A) 1,500,000 shares, (B) 15% of the sum of the aggregate daily reported Trading Volumes in the outstanding Common Stock on the Company's Principal Market, excluding any block trades of 20,000 or more shares of Common Stock, for all Evaluation Days (as defined below) in the Pricing Period, (C) the number of Put Shares which, when multiplied by their respective Put Share Prices, equals the Maximum Put Dollar Amount, and (D) the 9.9% Limitation, but in no event shall the Individual Put Limit exceed 15% of the sum of the aggregate daily reported Trading Volumes in the outstanding Common Stock on the Company's Principal Market, excluding any block trades of 20,000 or more shares of Common

Stock, for the twenty (20) Business Days immediately preceding the Advance Put Notice Date (this limitation, together with the limitations in (A) and (B) immediately above are collectively referred to herein as the "Volume Limitations"). Company agrees not to trade Common Stock or arrange for Common Stock to be traded for the purpose of artificially increasing the Volume Limitations.

For purposes of this Agreement:

"Trigger Price" for any Pricing Period shall mean the greater of (i) the Company Designated Minimum Put Share Price, plus $0.10, or (ii) the Company Designated Minimum Put Share Price divided by .91.

An "Excluded Day" shall mean each Business Day during a Pricing Period where the lowest intra-day trading price of the Common Stock is less than the Trigger Price and each Business Day defined in Section 2.3.4 as an "Excluded Day".

An "Evaluation Day" shall mean each Business Day during a Pricing Period that is not an Excluded Day.

(c) PUT SHARE PRICE. The purchase price for the Put Shares (the "Put Share Price") shall equal the lesser of (i) the Market Price for such Put, minus $0.10, or (ii) 91% of the Market Price for such Put, but shall in no event be less than the Company Designated Minimum Put Share Price for such Put, if applicable.

(d) DELIVERY OF PUT NOTICE. After delivery of an Advance Put Notice, on the Put Date specified in the Advance Put Notice the Company shall deliver written notice (the "Put Notice," the form of which is attached hereto as EXHIBIT F) to Investor stating (i) the Put Date, (ii) the Intended Put Share Amount as specified in the Advance Put Notice (such exercise a "Put"), (iii) the Company Designated Maximum Put Dollar Amount (if applicable), and (iv) the Company Designated Minimum Put Share Price (if applicable). In order to effect delivery of the Put Notice, the Company shall (i) send the Put Notice by facsimile on the Put Date so that such notice is received by the Investor by 6:00 p.m., New York, NY time, and (ii) surrender such notice on the Put Date to a courier for overnight delivery to the Investor (or two (2) day delivery in the case of an Investor residing outside of the U.S.). Upon receipt by the Investor of a facsimile copy of the Put Notice, the Investor shall, within two (2) Business Days, send, via facsimile, a confirmation of receipt (the "Put Notice Confirmation," the form of which is attached hereto as EXHIBIT G) of the Put Notice to Company specifying that the Put Notice has been received and affirming the Put Date and the Intended Put Share Amount.

(e) DELIVERY OF REQUIRED PUT DOCUMENTS. On or before the Put Date for such Put, the Company shall deliver the Required Put Documents (as defined in Section 2.3.6 below) to the Investor (or to an agent of Investor, if Investor so directs). Unless otherwise specifically requested by the Investor, the Put Shares shall be transmitted

electronically pursuant to the Depository Trust Company DWAC system or such other electronic delivery system as the Investor shall request. If the Company has not delivered all of the Required Put Documents to the Investor on or before the Put Date, the Put shall be automatically cancelled, (an "Impermissible Put Cancellation") and the Company shall pay the Investor $5,000 for its reasonable due diligence expenses incurred in preparation for the cancelled Put and the Company may deliver an Advance Put Notice for the subsequent Put no sooner than ten (10) Business Days after the date that such Put was cancelled. Also, in the event of a Put Interruption Notice that occurs prior to the Put Date, the Company shall pay the Investor $5,000 for its reasonable due diligence expenses incurred in preparation for the interrupted Put.

(f) LIMITATION ON INVESTOR'S OBLIGATION TO PURCHASE SHARES. Notwithstanding anything to the contrary in this Agreement, in no event shall the Investor be required to purchase, and an Intended Put Share Amount may not include, an amount of Put Shares, which when added to the number of Put Shares acquired by the Investor pursuant to this Agreement during the 61 days preceding the Put Date with respect to which this determination of the permitted Intended Put Share Amount is being made, would exceed 9.9% of the number of shares of Common Stock outstanding (on a fully diluted basis, to the extent that inclusion of unissued shares is mandated by Section 13(d) of the Exchange Act) on the Put Date for such Pricing Period, as determined in accordance with Section 13(d) of the Exchange Act (the "Section 13(d) Outstanding Share Amount"). Each Put Notice shall include a representation of the Company as to the Section 13(d) Outstanding Share Amount on the related Put Date. In the event that the Section 13(d) Outstanding Share Amount is different on any date during a Pricing Period than on the Put Date associated with such Pricing Period, then the number of shares of Common Stock outstanding on such date during such Pricing Period shall govern for purposes of determining whether the Investor, when aggregating all purchases of Shares made pursuant to this Agreement in the 61 calendar days preceding such date, would have acquired more than 9.9% of the Section 13(d) Outstanding Share Amount. The limitation set forth in this Section 2.3.1(f) is referred to as the "9.9% Limitation."

2.3.2 TERMINATION OF RIGHT TO PUT. The Company's right to initiate subsequent Puts to the Investor shall terminate permanently (each, an "Automatic Termination") upon the occurrence of any of the following:

(a) if, at any time, either the Company or any director or executive officer of the Company has engaged in a transaction or conduct related to the Company that has resulted in (i) a Securities and Exchange Commission enforcement action, or (ii) a civil judgment or criminal conviction for fraud or misrepresentation, or for any other offense that, if prosecuted criminally, would constitute a felony under applicable law;

(b) on any date after a cumulative time period or series of time periods, consisting only of Ineffective Periods and Delisting Events, that lasts for an aggregate of four (4) months;

(c) if at any time the Company has filed for and/or is subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company or any subsidiary of the Company;

(d) after the sooner of (i) the date that is three (3) years after the Effective Date, or (ii) the Put Closing Date on which the aggregate of the Put Dollar Amounts for all Puts equal the Maximum Offering Amount (the "Commitment Period");

(e) the Company has breached any covenant in Section 6 or Section 9 hereof; or

(f) if no Registration Statement has been declared effective by the date that is one (1) year after the date of this Agreement, the Automatic Termination shall occur on the date that is one (1) year after the date of this Agreement.

2.3.3 MAXIMUM OFFERING AMOUNT. The Investor shall not be obligated to purchase any additional Put Shares once the aggregate Put Dollar Amount paid by Investor equals the Maximum Offering Amount.

2.3.4 PUT INTERRUPTION. Once the Company delivers an Advance Put Notice to the Investor, the Company may not cancel the Put. In the event of a "Put Interruption Event" (as defined below) during any Pricing Period, then (A) the Company shall notify the Investor in writing (a "Put Interruption Notice") as soon as possible by facsimile and overnight courier, but no later than the end of the Business Day in which the Company becomes aware of such facts, (B) the Pricing Period shall be extended or shortened, as applicable, such that the Pricing Period End Date is the tenth (10th) Business Day after the date of such Put Interruption Notice from the Company (the "Put Interruption Date"), (C) each Business Day from and including the Put Interruption Date through and including the Pricing Period End Date for the applicable Put (as extended or shortened, if applicable), shall be considered to be an "Excluded Day," as that term is used in this Agreement, and (D) the Company Designated Minimum Put Share Price, if any, shall not apply to the affected Put. In the event that a Put Interruption Event occurs after an Advance Put Notice Date, but before the applicable Put Date, that Put shall be deemed to be terminated, and the Company may deliver an Advance Put Notice for a new Put anytime beginning on the following Business Day, if otherwise allowed under this Agreement. A "Put Interruption Event" shall mean any of the following: (i) an Automatic Termination, (ii) the failure of one of the items specified in Section 2.3.5 below to be true and correct on any day during and Extended Pricing Period, or (iii) the occurrence of one of the following events:

(a) the Company has announced a subdivision or combination, including a reverse split, of its Common Stock or has subdivided or combined its Common Stock;

(b) the Company has paid a dividend of its Common Stock or has made any other distribution of its Common Stock;

(c) the Company has made a distribution of all or any portion of its assets or evidences of indebtedness to the holders of its Common Stock;

(d) a Major Transaction has occurred; or

(e) the Company discovers the existence of Material Facts or any Ineffective Period or Delisting Event occurs.

2.3.5 CONDITIONS PRECEDENT TO THE RIGHT OF THE COMPANY TO DELIVER AN ADVANCE PUT NOTICE OR A PUT NOTICE. The right of the Company to deliver an Advance Put Notice or a Put Notice is subject to the satisfaction, on the date of delivery of such Advance Put Notice or Put Notice, of each of the following conditions:

(a) the Company's Common Stock shall be listed for and actively trading on the O.T.C. Bulletin Board, the Nasdaq Small Cap Market, the Nasdaq National Market or the New York Stock Exchange and the Put Shares shall be so listed, and to the Company's knowledge there is no notice of any suspension or delisting with respect to the trading of the shares of Common Stock on such market or exchange;

(b) the Company shall have satisfied any and all obligations pursuant to the Registration Rights Agreement, including, but not limited to, the filing of the Registration Statement with the SEC with respect to the resale of all Registrable Securities and the requirement that the Registration Statement shall have been declared effective by the SEC for the resale of all Registrable Securities and the Company shall have satisfied and shall be in compliance with any and all obligations pursuant to this Agreement and the Warrants;

(c) the representations and warranties of the Company in Sections 5.1, 5.3, 5.4, 5.5, 5.6, 5.10, 5.13, 5.14, 5.15, 5.16, 5.18, 5.19, 5.21, and 5.25 hereof are true and correct in all material respects as if made on such date, the Company has satisfied its obligations under Section 2.6 hereof and the conditions to Investor's obligations set forth in this Section 2.3.5 are satisfied as of such Closing, and the Company shall deliver a certificate, signed by an officer of the Company, to such effect to the Investor;

(d) the Company shall have authorized and reserved for issuance a sufficient number of Common Shares for the purpose of enabling the Company to satisfy any obligation to

issue Common Shares pursuant to any Put and to effect exercise of the Warrants;

(e) the Registration Statement is not subject to an Ineffective Period as defined in the Registration Rights Agreement, the prospectus included therein is current and deliverable, and to the Company's knowledge there is no notice of any investigation or inquiry concerning any stop order with respect to the Registration Statement;

(f) if the Aggregate Issued Shares after the Closing of the Put would exceed the Cap Amount, the Company shall have obtained the Stockholder 20% Approval as specified in Section 6.11, if the Company's Common Stock is listed on the NASDAQ Small Cap Market or the NASDAQ National Market System (the "NMS"), and such approval is required by the rules of the NASDAQ;

(g) the Company shall have no knowledge of any event that, in the Company's opinion, is more likely than not to have the effect of causing any Registration Statement to be suspended or otherwise ineffective (which event is more likely than not to occur within the thirty Business Days following the date on which such Advance Put Notice and Put Notice is deemed delivered);

(h) there is not then in effect any law, rule or regulation prohibiting or restricting the transactions contemplated hereby, or requiring any consent or approval which shall not have been obtained, nor is there any pending or threatened proceeding or investigation which may have the effect of prohibiting or adversely affecting any of the transactions contemplated by this Agreement;

(i) no statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or adopted by any court or governmental authority of competent jurisdiction that prohibits the transactions contemplated by this Agreement, and no actions, suits or proceedings shall be in progress, pending or threatened by any person (other than the Investor or any affiliate of the Investor), that seek to enjoin or prohibit the transactions contemplated by this Agreement. For purposes of this paragraph (i), no proceeding shall be deemed pending or threatened unless one of the parties has received written or oral notification thereof prior to the applicable Closing Date;

(j) the Put Shares delivered to the Investor are DTC eligible and can be immediately converted into electronic form;

(k) the Company shall have obtained all permits and qualifications (if any) required by any state securities laws or Blue Sky laws for the offer and sale of the Common Stock to the Investor and by the Investor or shall have the availability of exemptions therefrom; and

(l) the Put Shares shall have been delivered to the Depository Trust Company DWAC account specified by the Investor for the Put Shares.

(m) the Transfer Agent Instructions have been duly executed by both the Company and the Transfer Agent.

2.3.6 DOCUMENTS REQUIRED TO BE DELIVERED ON THE PUT DATE AS CONDITIONS TO CLOSING OF ANY PUT. The Closing of any Put and Investor's obligations hereunder shall additionally be conditioned upon the delivery to the Investor of each of the following (the "Required Put Documents") on or before the applicable Put Date:

(a) a number of DWAC Put Shares equal to the Intended Put Share Amount shall have been delivered to the Depository Trust Company DWAC account specified by the Investor for the Put Shares (unless the Investor has requested physical stock certificates, in writing, in which case the Company shall have delivered to the Investor a number of physical Unlegended Share Certificates equal to the Intended Put Share Amount, in denominations of not more than 50,000 shares per certificate);

(b) the following documents: Put Opinion of Counsel, Officer's Certificate, Put Notice, Registration Opinion, and any report or disclosure required under Section 2.3.7 or Section 2.5; and

(c) all documents, instruments and other writings required to be delivered on or before the Put Date pursuant to any provision of this Agreement in order to implement and effect the transactions contemplated herein.

2.3.7 ACCOUNTANT'S LETTER AND REGISTRATION OPINION.

(a) The Company shall have caused to be delivered to the Investor, (i) whenever required by Section 2.3.7(b) or by Section 2.5.3, and (ii) on the date that is three (3) Business Days prior to each Put Date (the "Registration Opinion Deadline"), an opinion of the Company's independent counsel, in substantially the form of EXHIBIT N (the "Registration Opinion"), addressed to the Investor stating, inter alia, that no facts ("Material Facts") have come to such counsel's attention that have caused it to believe that the Registration Statement is subject to an Ineffective Period or to believe that the Registration Statement, any Supplemental Registration Statement (as each may be amended, if applicable), and any related prospectuses, contain an untrue statement of material fact or omits a material fact required to make the statements

contained therein, in light of the circumstances under which they were made, not misleading. If a Registration Opinion cannot be delivered by the Company's independent counsel to the Investor on the Registration Opinion Deadline due to the existence of Material Facts or an Ineffective Period, the Company shall promptly notify the Investor and as promptly as possible amend each of the Registration Statement and any Supplemental Registration Statements, as applicable, and any related prospectus or cause such Ineffective Period to terminate, as the case may be, and deliver such Registration Opinion and updated prospectus as soon as possible thereafter. If at any time after a Put Notice shall have been delivered to Investor but before the related Pricing Period End Date, the Company acquires knowledge of such Material Facts or any Ineffective Period occurs, the Company shall promptly notify the Investor and shall deliver a Put Interruption Notice to the Investor pursuant to Section 2.3.4 by facsimile and overnight courier by the end of that Business Day.

(b) (i) the Company shall engage its independent auditors to perform the procedures in accordance with the provisions of Statement on Auditing Standards No. 71, as amended, as agreed to by the parties hereto, and reports thereon (the "Bring Down Cold Comfort Letters") as shall have been reasonably requested by the Investor with respect to certain financial information contained in the Registration Statement and shall have delivered to the Investor such a report addressed to the Investor, on the date that is three (3) Business Days prior to each Put Date.

(ii) in the event that the Investor shall have requested delivery of an Agreed Upon Procedures Report pursuant to Section 2.5.3, the Company shall engage its independent auditors to perform certain agreed upon procedures and report thereon as shall have been reasonably requested by the Investor with respect to certain financial information of the Company and the Company shall deliver to the Investor a copy of such report addressed to the Investor. In the event that the report required by this Section 2.3.7(b) cannot be delivered by the Company's independent auditors, the Company shall, if necessary, promptly revise the Registration Statement and the Company shall not deliver a Put Notice until such report is delivered.

2.3.8 INVESTOR'S OBLIGATION AND RIGHT TO PURCHASE SHARES. Subject to the conditions set forth in this Agreement, following the Investor's receipt of a validly delivered Put Notice, the Investor shall be required to purchase (each a "Purchase") from the Company a number of Put Shares equal to the Put Share Amount, in the manner described below.

2.3.9 MECHANICS OF PUT CLOSING. Each of the Company and the Investor shall deliver all documents, instruments and writings required to be delivered by either of them pursuant to this Agreement at or prior to each Closing. Subject to such delivery and the satisfaction of the conditions set forth in this Section 2, the closing of the purchase by the Investor of Shares shall occur by 5:00 PM, New York City Time, on the date which is five (5) Business Days following the applicable Pricing Period End

Date (the "Payment Due Date") at the offices of Investor. On each or before each Payment Due Date, the Investor shall deliver to the Company, in the manner specified in Section 8 below, the Put Dollar Amount to be paid for such Put Shares, determined as aforesaid, less any Non-Usage Fees that are due and unpaid by the Company. The closing (each a "Put Closing") for each Put shall occur on the date that both (i) the Company has delivered to the Investor all Required Put Documents, and (ii) the Investor has delivered to the Company such Put Dollar Amount and any Late Payment Amount, if applicable (each a "Put Closing Date").

If the Investor does not deliver to the Company the Put Dollar Amount for such Put Closing on or before the Payment Due Date, then the Investor shall pay to the Company, in addition to the Put Dollar Amount, an amount (the "Late Payment Amount") at a rate of X% per month, accruing daily, multiplied by such Put Dollar Amount, where "X" equals one percent (1%) for the first month following the date in question, and increases by an additional one percent (1%) for each month that passes after the date in question, up to a maximum of five percent (5%) per month; provided, however, that in no event shall the amount of interest that shall become due and payable hereunder exceed the maximum amount permissible under applicable law.

2.3.10 LIMITATION ON SHORT SALES. The Investor and its affiliates shall not engage in short sales of the Company's Common Stock; provided, however, that the Investor may enter into any short exempt sale or any short sale or other hedging or similar arrangement it deems appropriate with respect to Put Shares after it receives a Put Notice with respect to such Put Shares so long as such sales or arrangements do not involve more than the number of such Put Shares specified in the Put Notice.

2.3.11 CAP AMOUNT. If the Company becomes listed on the Nasdaq Small Cap Market or the Nasdaq National Market, then, unless the Company has obtained Stockholder 20% Approval as set forth in Section 6.11 or unless otherwise permitted by Nasdaq, in no event shall the Aggregate Issued Shares exceed the maximum number of shares of Common Stock (the "Cap Amount") that the Company can, without stockholder approval, so issue pursuant to NASDAQ RULE 4460(I)(1)(D)(II) (OR ANY OTHER APPLICABLE NASDAQ RULES or any successor rule) (THE "NASDAQ 20% RULE").

2.3.12 INVESTMENT AGREEMENT TERMINATION. The Company may terminate (a "Company Termination") its right to initiate future Puts by providing written notice ("Termination Notice") to the Investor, by facsimile and overnight courier, at any time other than during an Extended Put Period, provided that such termination shall have no effect on the parties' other rights and obligations under this Agreement, the Registration Rights Agreement or the Warrants. Notwithstanding the above, any Put Interruption Notice occurring during an Extended Put Period is governed by Section 2.3.4.

2.3.13 RETURN OF EXCESS COMMON SHARES. In the event that

the number of Shares purchased by the Investor pursuant to its obligations hereunder is less than the Intended Put Share Amount, the Investor shall promptly return to the Company any shares of Common Stock in the Investor's possession that are not being purchased by the Investor.

2.4 WARRANTS.

2.4.1 COMMITMENT WARRANTS. In partial consideration hereof, following the execution of the Letter of Agreement dated on or about February 6, 2001 between the Company and the Investor, the Company issued and delivered to Investor warrants (the "Commitment Warrants") in the form attached hereto as EXHIBIT P, or such other form as agreed upon by the parties, to purchase a number of shares of Common Stock equal to 7% of the number of fully diluted outstanding shares of Common Stock after accounting for the Merger. Each Commitment Warrant shall be immediately exercisable in accordance with its terms, and shall have a term beginning on the date of issuance and ending on date that is five (5) years thereafter. The Warrant Shares shall be registered for resale pursuant to the Registration Rights Agreement. The Investment Commitment Opinion of Counsel shall cover the issuance of the Commitment Warrant and the issuance of the common stock upon exercise of the Commitment Warrant.

Notwithstanding any Termination or Automatic Termination of this Agreement, regardless of whether or not the Registration Statement is or is not filed, and regardless of whether or not the Registration Statement is or is not declared effective by the SEC, the Investor shall retain full ownership of the Commitment Warrant as partial consideration for its commitment hereunder.

2.4.2 [Intentionally Left Blank].

2.5 DUE DILIGENCE REVIEW. The Company shall make available for inspection and review by the Investor (the "Due Diligence Review"), advisors to and representatives of the Investor (who may or may not be affiliated with the Investor and who are reasonably acceptable to the Company), any underwriter participating in any disposition of Common Stock on behalf of the Investor pursuant to the Registration Statement, any Supplemental Registration Statement, or amendments or supplements thereto or any blue sky, NASD or other filing, all financial and other records, all filings with the SEC, and all other corporate documents and properties of

the Company as may be reasonably necessary for the purpose of such review, and cause the Company's officers, directors and employees to supply all such information reasonably requested by the Investor or any such representative, advisor or underwriter in connection with such Registration Statement (including, without limitation, in response to all questions and other inquiries reasonably made or submitted by any of them), prior to and from time to time after the filing and effectiveness of the Registration Statement for the sole purpose of enabling the Investor and such representatives, advisors and underwriters and their respective accountants and attorneys to conduct initial and ongoing due diligence with respect to the Company and the accuracy of the Registration Statement.

2.5.1 TREATMENT OF NONPUBLIC INFORMATION. The Company shall not disclose nonpublic information to the Investor or to its advisors or representatives unless prior to disclosure of such information the Company identifies such information as being nonpublic information and provides the Investor and such advisors and representatives with the opportunity to accept or refuse to accept such nonpublic information for review. The Company may, as a condition to disclosing any nonpublic information hereunder, require the Investor and its advisors and representatives to enter into a confidentiality agreement (including an agreement with such advisors and representatives prohibiting them from trading in Common Stock during such period of time as they are in possession of nonpublic information) in form reasonably satisfactory to the Company and the Investor.

Nothing herein shall require the Company to disclose nonpublic information to the Investor or its advisors or representatives, and the Company represents that it does not disseminate nonpublic information to any investors who purchase stock in the Company in a public offering, to money managers or to securities analysts, provided, however, that notwithstanding anything herein to the contrary, the Company will, as hereinabove provided, immediately notify the advisors and representatives of the Investor and, if any, underwriters, of any event or the existence of any circumstance (without any obligation to disclose the specific event or circumstance) of which it becomes aware, constituting nonpublic information (whether or not requested of the Company specifically or generally during the course of due diligence by and such persons or entities), which, if not disclosed in the Prospectus included in the Registration Statement, would cause such Prospectus to include a material misstatement or to omit a material fact required to be stated therein in order to make the statements therein, in light of the circumstances in which they were made, not misleading. Nothing contained in this Section 2.5 shall be construed to mean that such persons or entities other than the Investor (without the written consent of the Investor prior to disclosure of such information) may not obtain nonpublic information in the course of conducting due diligence in accordance with the terms of this Agreement; provided, however, that in no event shall the Investor's advisors or representatives disclose to the Investor the nature of the specific event or circumstances constituting any nonpublic information discovered by such advisors or representatives in the course of their due diligence without the written

consent of the Investor prior to disclosure of such information.

2.5.2 DISCLOSURE OF MISSTATEMENTS AND OMISSIONS. The Investor's advisors or representatives shall make complete disclosure to the Investor's counsel of all events or circumstances constituting nonpublic information discovered by such advisors or representatives in the course of their due diligence upon which such advisors or representatives form the opinion that the Registration Statement contains an untrue statement of a material fact or omits a material fact required to be stated in the Registration Statement or necessary to make the statements contained therein, in the light of the circumstances in which they were made, not misleading. Upon receipt of such disclosure, the Investor's counsel shall consult with the Company's independent counsel in order to address the concern raised as to the existence of a material misstatement or omission and to discuss appropriate disclosure with respect thereto; provided, however, that such consultation shall not constitute the advice of the Company's independent counsel to the Investor as to the accuracy of the Registration Statement and related Prospectus.

2.5.3 PROCEDURE IF MATERIAL FACTS ARE REASONABLY BELIEVED TO BE UNTRUE OR ARE OMITTED. In the event after such consultation the Investor or the Investor's counsel reasonably believes that the Registration Statement contains an untrue statement of a material fact or omits a material fact required to be stated in the Registration Statement or necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading,

(a) the Company shall file with the SEC an amendment to the Registration Statement responsive to such alleged untrue statement or omission and provide the Investor, as promptly as practicable, with copies of the Registration Statement and related Prospectus, as so amended, or

(b) if the Company disputes the existence of any such material misstatement or omission, (i) the Company's independent counsel shall provide the Investor's counsel with a Registration Opinion and (ii) in the event the dispute relates to the adequacy of financial disclosure and the Investor shall reasonably request, the Company's independent auditors shall provide to the Company a letter ("Agreed Upon Procedures Report") outlining the performance of such "agreed upon procedures" as shall be reasonably requested by the Investor and the Company shall provide the Investor with a copy of such letter.

2.6 COMMITMENT PAYMENTS.

On the last Business Day of each six (6) Calendar Month period following the Effective Date (each such period a "Commitment Evaluation Period"), if the Company has not sold at least $1,000,000 in aggregate Put Dollar Amount worth of Put Shares during that Commitment Evaluation Period, the Company, in consideration of Investor's commitment costs, including, but not limited to, due diligence expenses, shall pay to the Investor an

amount (the "Non-Usage Fee") equal to the difference of (i) $100,000, minus (ii) 10% of the aggregate Put Dollar Amount of the Put Shares purchased by the Investor during that Commitment Evaluation Period. In the event that the Company delivers a Termination Notice to the Investor or an Automatic Termination occurs, the Company shall pay to the Investor (the "Termination Fee") the greater of (i) the Non-Usage Fee for the applicable Commitment Evaluation Period, or (ii) the difference of (x) $200,000, minus (y) 10% of the aggregate Put Dollar Amount of the Put Shares purchased by the Investor during all Puts to date, and the Company shall not be required to pay the Non-Usage Fee thereafter.

Each Non-Usage Fee or Termination Fee is payable, in cash or Common Stock (in the manner described below), at the Company's option, within five (5) business days of the date it accrued. If such payment is made in restricted and unregistered Common Stock, the Company shall deliver to the Investor a number of shares of Common Stock equal to 150% of the amount of the Non-Usage Fee or Termination Fee that is then payable, divided by the lowest closing price of the Company's Common Stock for the five (5) Business Days immediately preceding the date of delivery of such shares to the Investor. The Company shall not be required to deliver any payments to Investor under this subsection until Investor has paid all Put Dollar Amounts that are then due.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF INVESTOR. Investor hereby represents and warrants to and agrees with the Company as follows:

3.1 ACCREDITED INVESTOR. Investor is an accredited investor ("Accredited Investor"), as defined in Rule 501 of Regulation D, and has checked the applicable box set forth in Section 10 of this Agreement.

3.2 INVESTMENT EXPERIENCE; ACCESS TO INFORMATION; INDEPENDENT INVESTIGATION.

3.2.1 ACCESS TO INFORMATION. Investor or Investor's professional advisor has been granted the opportunity to ask questions of and receive answers from representatives of the Company, its officers, directors, employees and agents concerning the terms and conditions of this Offering, the Company and its business and prospects, and to obtain any additional information which Investor or Investor's professional advisor deems necessary to verify the accuracy and completeness of the information received.

3.2.2 RELIANCE ON OWN ADVISORS. Investor has relied completely on the advice of, or has consulted with, Investor's own personal tax, investment, legal or other advisors and has not relied on the Company or any of its affiliates, officers, directors, attorneys, accountants or any affiliates of any thereof and each other person, if any, who controls any of the foregoing, within the meaning of Section 15 of the Act for any tax or legal advice (other than reliance on information in the Disclosure Documents as defined in Section 3.2.4 below and on the Opinion of Counsel). The foregoing, however, does not limit or modify Investor's right to rely

upon covenants, representations and warranties of the Company in this Agreement.

3.2.3 CAPABILITY TO EVALUATE. Investor has such knowledge and experience in financial and business matters so as to enable such Investor to utilize the information made available to it in connection with the Offering in order to evaluate the merits and risks of the prospective investment, which are substantial, including without limitation those set forth in the Disclosure Documents (as defined in Section 3.2.4 below).

3.2.4 DISCLOSURE DOCUMENTS. Investor, in making Investor's investment decision to subscribe for the Investment Agreement hereunder, represents that (a) Investor has received and had an opportunity to review (i) the Company's quarterly report on Form 10-QSB for the quarters ended June 30, 2000, and September 30, 2000 (ii) the Capitalization Schedule, attached as EXHIBIT J, (the "Capitalization Schedule"), and (iii) the Capitalization Schedule, attached as EXHIBIT J, (the "Capitalization Schedule").; (b) Investor has read, reviewed, and relied solely on the documents described in (a) above, the Company's representations and warranties and other information in this Agreement, including the exhibits, documents prepared by the Company which have been specifically provided to Investor in connection with this Offering (the documents described in this Section 3.2.4 (a) and (b) are collectively referred to as the "Disclosure Documents"), and an independent investigation made by Investor and Investor's representatives, if any; (c) Investor has, prior to the date of this Agreement, been given an opportunity to review material contracts and documents of the Company which have been filed as exhibits to the Company's filings under the Act and the Exchange Act and has had an opportunity to ask questions of and receive answers from the Company's officers and directors; and (d) is not relying on any oral representation of the Company or any other person, nor any written representation or assurance from the Company other than those contained in the Disclosure Documents or incorporated herein or therein. The foregoing, however, does not limit or modify Investor's right to rely upon covenants, representations and warranties of the Company in Sections 5 and 6 of this Agreement. Investor acknowledges and agrees that the Company has no responsibility for, does not ratify, and is under no responsibility whatsoever to comment upon or correct any reports, analyses or other comments made about the Company by any third parties, including, but not limited to, analysts' research reports or comments (collectively, "Third Party Reports"), and Investor has not relied upon any Third Party Reports in making the decision to invest.

3.2.5 INVESTMENT EXPERIENCE; FEND FOR SELF. Investor has substantial experience in investing in securities and it has made investments in securities other than those of the Company. Investor acknowledges that Investor is able to fend for Investor's self in the transaction contemplated by this Agreement, that Investor has the ability to bear the economic risk of Investor's investment pursuant to this Agreement and that Investor is an "Accredited Investor" by virtue of the fact that Investor meets the investor qualification standards set forth in Section 3.1 above. Investor has not been organized for the purpose of

investing in securities of the Company, although such investment is consistent with Investor's purposes.

3.3 EXEMPT OFFERING UNDER REGULATION D.

3.3.1 NO GENERAL SOLICITATION. The Investment Agreement was not offered to Investor through, and Investor is not aware of, any form of general solicitation or general advertising, including, without limitation, (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, and (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

3.3.2 RESTRICTED SECURITIES. Investor understands that the Investment Agreement is, the Common Stock issued at each Put Closing will be, and the Warrant Shares will be, characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction exempt from the registration requirements of the federal securities laws and that under such laws and applicable regulations such securities may not be transferred or resold without registration under the Act or pursuant to an exemption therefrom. In this connection, Investor represents that Investor is familiar with Rule 144 under the Act, as presently in effect, and understands the resale limitations imposed thereby and by the Act.

3.3.3 DISPOSITION. Without in any way limiting the representations set forth above, Investor agrees that until the Securities are sold pursuant to an effective Registration Statement or an exemption from registration, they will remain in the name of Investor and will not be transferred to or assigned to any broker, dealer or depositary. Investor further agrees not to sell, transfer, assign, or pledge the Securities (except for any bona fide pledge arrangement to the extent that such pledge does not require registration under the Act or unless an exemption from such registration is available and provided further that if such pledge is realized upon, any transfer to the pledgee shall comply with the requirements set forth herein), or to otherwise dispose of all or any portion of the Securities unless and until:

(a) There is then in effect a registration statement under the Act and any applicable state securities laws covering such proposed disposition and such disposition is made in accordance with such registration statement and in compliance with applicable prospectus delivery requirements; or

(b) (i) Investor shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition to the extent relevant for determination of the availability of an exemption from registration, and (ii) if reasonably requested by the Company, Investor shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require

registration of the Securities under the Act or state securities laws. It is agreed that the Company will not require the Investor to provide opinions of counsel for transactions made pursuant to Rule 144 provided that Investor and Investor's broker, if necessary, provide the Company with the necessary representations for counsel to the Company to issue an opinion with respect to such transaction.

The Investor is entering into this Agreement for its own account and the Investor has no present arrangement (whether or not legally binding) at any time to sell the Common Stock to or through any person or entity; provided, however, that by making the representations herein, the Investor does not agree to hold the Common Stock for any minimum or other specific term and reserves the right to dispose of the Common Stock at any time in accordance with federal and state securities laws applicable to such disposition.

3.4 DUE AUTHORIZATION.

3.4.1 AUTHORITY. The person executing this Investment Agreement, if executing this Agreement in a representative or fiduciary capacity, has full power and authority to execute and deliver this Agreement and each other document included herein for which a signature is required in such capacity and on behalf of the subscribing individual, partnership, trust, estate, corporation or other entity for whom or which Investor is executing this Agreement. Investor has reached the age of majority (if an individual) according to the laws of the state in which he or she resides.

3.4.2 DUE AUTHORIZATION. Investor is duly and validly organized, validly existing and in good standing as a limited liability company under the laws of Georgia with full power and authority to purchase the Securities to be purchased by Investor and to execute and deliver this Agreement.

3.4.3 PARTNERSHIPS. If Investor is a partnership, the representations, warranties, agreements and understandings set forth above are true with respect to all partners of Investor (and if any such partner is itself a partnership, all persons holding an interest in such partnership, directly or indirectly, including through one or more partnerships), and the person executing this Agreement has made due inquiry to determine the truthfulness of the representations and warranties made hereby.

3.4.4 REPRESENTATIVES. If Investor is purchasing in a representative or fiduciary capacity, the representations and warranties shall be deemed to have been made on behalf of the person or persons for whom Investor is so purchasing.

4. ACKNOWLEDGMENTS. Investor is aware that:

4.1 RISKS OF INVESTMENT. Investor recognizes that an investment

in the Company involves substantial risks, including the potential loss of Investor's entire investment herein. Investor recognizes that the Disclosure Documents, this Agreement and the exhibits hereto do not purport to contain all the information, which would be contained in a registration statement under the Act;

4.2 NO GOVERNMENT APPROVAL. No federal or state agency has passed upon the Securities, recommended or endorsed the Offering, or made any finding or determination as to the fairness of this transaction;

4.3 NO REGISTRATION, RESTRICTIONS ON TRANSFER. As of the date of this Agreement, the Securities and any component thereof have not been registered under the Act or any applicable state securities laws by reason of exemptions from the registration requirements of the Act and such laws, and may not be sold, pledged (except for any limited pledge in connection with a margin account of Investor to the extent that such pledge does not require registration under the Act or unless an exemption from such registration is available and provided further that if such pledge is realized upon, any transfer to the pledgee shall comply with the requirements set forth herein), assigned or otherwise disposed of in the absence of an effective registration of the Securities and any component thereof under the Act or unless an exemption from such registration is available;

4.4 RESTRICTIONS ON TRANSFER. Investor may not attempt to sell, transfer, assign, pledge or otherwise dispose of all or any portion of the Securities or any component thereof in the absence of either an effective registration statement or an exemption from the registration requirements of the Act and applicable state securities laws;

4.5 NO ASSURANCES OF REGISTRATION. There can be no assurance that any registration statement will become effective at the scheduled time, or ever, or remain effective when required, and Investor acknowledges that it may be required to bear the economic risk of Investor's investment for an indefinite period of time;

4.6 EXEMPT TRANSACTION. Investor understands that the Securities are being offered and sold in reliance on specific exemptions from the registration requirements of federal and state law and that the representations, warranties, agreements, acknowledgments and understandings set forth herein are being relied upon by the Company in determining the applicability of such exemptions and the suitability of Investor to acquire such Securities.

4.7 LEGENDS. The certificates representing the Put Shares shall not bear a legend restricting the sale or transfer thereof ("Restrictive Legend"). The certificates representing the Warrant Shares shall not bear a Restrictive Legend unless they are issued at a time when the Registration Statement is not effective for resale. It is understood that the certificates evidencing any Warrant Shares issued at a time when the Registration Statement is not effective for resale, subject to legend

removal under the terms of Section 6.8 below, shall bear the following legend (the "Legend"):

> "The securities represented hereby have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws, nor the securities laws of any other jurisdiction. They may not be sold or transferred in the absence of an effective registration statement under those securities laws or pursuant to an exemption therefrom."

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby makes the following representations and warranties to Investor (which shall be true at the signing of this Agreement, and as of any such later date as specified hereunder) and agrees with Investor that, except as set forth in the "Schedule of Exceptions" attached hereto as EXHIBIT C:

5.1 ORGANIZATION, GOOD STANDING, AND QUALIFICATION. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado, USA and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would, in the Company's opinion, have a material adverse effect on the business or properties of the Company and its subsidiaries taken as a whole. The Company is not the subject of any pending, threatened or, to its knowledge, contemplated investigation or administrative or legal proceeding (a "Proceeding") by the Internal Revenue Service, the taxing authorities of any state or local jurisdiction, or the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., the Nasdaq Stock Market, Inc. or any state securities commission, or any other governmental entity, which have not been disclosed in the Disclosure Documents. None of the disclosed Proceedings, if any, will, in the Company's opinion, have a material adverse effect upon the Company. The Company has the following subsidiaries:

5.2 CORPORATE CONDITION. The Company's condition is, in all material respects, as described in the Disclosure Documents (as further set forth in any subsequently filed Disclosure Documents, if applicable), except for changes in the ordinary course of business and normal year-end adjustments that are not, in the aggregate, materially adverse to the Company. Except for continuing losses, there have been no material adverse changes to the Company's business, financial condition, or prospects from the dates of such Disclosure Documents through the date of the Investment Commitment Closing. The financial statements as contained in the 10-KSB and 10-QSB have been prepared in accordance with generally accepted accounting principles, consistently applied (except as otherwise permitted by Regulation S-X of the Exchange Act, or Generally Accepted Accounting Principles, as applicable), subject, in the case of unaudited interim financial statements, to customary year end adjustments and the absence of certain footnotes, and fairly present the financial condition of the Company as of the dates of the balance sheets included therein and the

consolidated results of its operations and cash flows for the periods then ended. Without limiting the foregoing, there are no material liabilities, contingent or actual, that are not disclosed in the Disclosure Documents (other than liabilities incurred by the Company in the ordinary course of its business, consistent with its past practice, after the period covered by the Disclosure Documents). The Company has paid all material taxes that are due, except for taxes that it reasonably disputes. There is no material claim, litigation, or administrative proceeding pending or, to the best of the Company's knowledge, threatened against the Company, except as disclosed in the Disclosure Documents. This Agreement and the Disclosure Documents do not contain any untrue statement of a material fact and do not omit to state any material fact required to be stated therein or herein necessary to make the statements contained therein or herein not misleading in the light of the circumstances under which they were made. No event or circumstance exists relating to the Company which, under applicable law, requires public disclosure but which has not been so publicly announced or disclosed.

5.3 AUTHORIZATION. All corporate action on the part of the Company by its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement, the performance of all obligations of the Company hereunder and the authorization, issuance and delivery of the Common Stock being sold hereunder and the issuance (and/or the reservation for issuance) of the Warrants and the Warrant Shares have been taken, and this Agreement and the Registration Rights Agreement constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, except insofar as the enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or other similar laws affecting creditors' rights generally or by principles governing the availability of equitable remedies. The Company has obtained all consents and approvals required for it to execute, deliver and perform each agreement referenced in the previous sentence.

5.4 VALID ISSUANCE OF COMMON STOCK. The Common Stock and the Warrants, when issued, sold and delivered in accordance with the terms hereof, for the consideration expressed herein, will be validly issued, fully paid and nonassessable and, based in part upon the representations of Investor in this Agreement, will be issued in compliance with all applicable U.S. federal and state securities laws. The Warrant Shares, when issued in accordance with the terms of the Warrants, shall be duly and validly issued and outstanding, fully paid and nonassessable, and based in part on the representations and warranties of Investor, will be issued in compliance with all applicable U.S. federal and state securities laws. The Put Shares, the Warrants and the Warrant Shares will be issued free of any preemptive rights.

5.5 COMPLIANCE WITH OTHER INSTRUMENTS. The Company is not in violation or default of any provisions of its Certificate of Incorporation or Bylaws, each as amended and in effect on and as of the date of the Agreement, or of any material provision of any material instrument or material contract to which it is a party or by which it is bound or of any

provision of any federal or state judgment, writ, decree, order, statute, rule or governmental regulation applicable to the Company, which would, in the Company's opinion, have a material adverse effect on the Company's business or prospects, or on the performance of its obligations under this Agreement or the Registration Rights Agreement. The execution, delivery and performance of this Agreement and the other agreements entered into in conjunction with the Offering and the consummation of the transactions contemplated hereby and thereby will not (a) result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument or contract or an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company, which would, in the Company's opinion, have a material adverse effect on the Company's business or prospects, or on the performance of its obligations under this Agreement, the Registration Rights Agreement, or (b) violate the Company's Certificate of Incorporation or By-Laws or (c) violate any statute, rule or governmental regulation applicable to the Company which violation would, in the Company's opinion, have a material adverse effect on the Company's business or prospects.

5.6 REPORTING COMPANY. The Company is subject to the reporting requirements of the Exchange Act, has a class of securities registered under Section 12 of the Exchange Act, and has filed all reports required by the Exchange Act since the date the Company first became subject to such reporting obligations. The Company undertakes to furnish Investor with copies of such reports as may be reasonably requested by Investor prior to consummation of this Offering and thereafter, to make such reports available, for the full term of this Agreement, including any extensions thereof, and for as long as Investor holds the Securities. The Common Stock is duly listed or approved for quotation on the O.T.C. Bulletin Board. The Company is not in violation of the listing requirements of the O.T.C. Bulletin Board and does not reasonably anticipate that the Common Stock will be delisted by the O.T.C. Bulletin Board for the foreseeable future. The Company has filed all reports required under the Exchange Act. The Company has not furnished to the Investor any material nonpublic information concerning the Company.

5.7 CAPITALIZATION. The capitalization of the Company as of the date hereof, subject to exercise of any outstanding warrants and/or exercise of any outstanding stock options, and after taking into account the offering of the Securities contemplated by this Agreement and all other share issuances occurring prior to this Offering, is as set forth in the Capitalization Schedule as set forth in EXHIBIT J. There are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities. Except as disclosed in the Capitalization Schedule, as of the date of this Agreement, (i) there are no outstanding options, warrants, scrip, rights to subscribe for, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exercisable or exchangeable for, any shares of capital stock of the Company or any of its subsidiaries, or arrangements by which the Company or any of its subsidiaries is or may become bound to

issue additional shares of capital stock of the Company or any of its subsidiaries, and (ii) there are no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of its or their securities under the Act (except the Registration Rights Agreement).

5.8 INTELLECTUAL PROPERTY. Prior to the Put Date for the Company's first Put, the Company shall provide the Investor with a list of all patents, trademarks, trademark registrations, trade names and copyrights of the Company. As of any Put Date, to the best of the Company's knowledge after due inquiry, the Company shall not be materially infringing on the intellectual property rights of any third party, nor is any third party materially infringing on the Company's intellectual property rights, and there shall be no restrictions in any agreements, licenses, franchises, or other instruments that preclude the Company from engaging in its business as presently conducted.

5.9 [Intentionally Left Blank].

5.10 NO RIGHTS OF PARTICIPATION. No person or entity, including, but not limited to, current or former stockholders of the Company, underwriters, brokers, agents or other third parties, has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the financing contemplated by this Agreement which has not been waived.

5.11 COMPANY ACKNOWLEDGMENT. The Company hereby acknowledges that Investor may elect to hold the Securities for various periods of time, as permitted by the terms of this Agreement, the Warrants, and other agreements contemplated hereby, and the Company further acknowledges that Investor has made no representations or warranties, either written or oral, as to how long the Securities will be held by Investor or regarding Investor's trading history or investment strategies.

5.12 NO ADVANCE REGULATORY APPROVAL. The Company acknowledges that this Investment Agreement, the transaction contemplated hereby and the Registration Statement contemplated hereby have not been approved by the SEC, or any other regulatory body and there is no guarantee that this Investment Agreement, the transaction contemplated hereby and the Registration Statement contemplated hereby will ever be approved by the SEC or any other regulatory body. The Company is relying on its own analysis and is not relying on any representation by Investor that either this Investment Agreement, the transaction contemplated hereby or the Registration Statement contemplated hereby has been or will be approved by the SEC or other appropriate regulatory body.

5.13 UNDERWRITER'S FEES AND RIGHTS OF FIRST REFUSAL. The Company is not obligated to pay any compensation or other fees, costs or related expenditures in cash or securities to any underwriter, broker, agent or other representative in connection with this Offering.

5.14 AVAILABILITY OF SUITABLE FORM FOR REGISTRATION. The Company is currently eligible and agrees to maintain its eligibility to register the resale of its Common Stock on a registration statement on a suitable form under the Act.

5.15 NO INTEGRATED OFFERING. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any of the Company's securities or solicited any offers to buy any security under circumstances that would prevent the parties hereto from consummating the transactions contemplated hereby pursuant to an exemption from registration under Regulation D of the Act or would require the issuance of any other securities to be integrated with this Offering under the Rules of the SEC. The Company has not engaged in any form of general solicitation or advertising in connection with the offering of the Common Stock or the Warrants.

5.16 FOREIGN CORRUPT PRACTICES. Neither the Company, nor any of its subsidiaries, nor any director, officer, agent, employee or other person acting on behalf of the Company or any subsidiary has, in the course of its actions for, or on behalf of, the Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

5.17 [Intentionally Left Blank].

5.18 REPRESENTATIONS CORRECT. The foregoing representations, warranties and agreements are true, correct and complete in all material respects, and shall survive any Put Closing and the issuance of the shares of Common Stock thereby.

5.19 TAX STATUS. The Company has made or filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

5.20 TRANSACTIONS WITH AFFILIATES. Except as set forth in the Disclosure Documents, none of the officers, directors, or employees of the

Company is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

5.21 APPLICATION OF TAKEOVER PROTECTIONS. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination or other similar anti-takeover provision under COLORADO law which is or could become applicable to the Investor as a result of the transactions contemplated by this Agreement, including, without limitation, the issuance of the Common Stock, any exercise of the Warrants and ownership of the Common Shares and Warrant Shares. The Company has not adopted and will not adopt any "poison pill" provision that will be applicable to Investor as a result of transactions contemplated by this Agreement.

5.22 [INTENTIONALLY LEFT BLANK].

5.23 MAJOR TRANSACTIONS. As of the date of this Agreement, there are no other Major Transactions currently pending or contemplated by the Company.

5.24 FINANCINGS. As of the date of this Agreement, there are no other financings currently pending or contemplated by the Company.

5.25 SHAREHOLDER AUTHORIZATION. The Company shall, at its next annual shareholder meeting following its listing on either the Nasdaq Small Cap Market or the Nasdaq National Market, or at a special meeting to be held as soon as practicable thereafter, use its best efforts to obtain approval of its shareholders to (i) authorize the issuance of the full number of shares of Common Stock which would be issuable under this Agreement and eliminate any prohibitions under applicable law or the rules or regulations of any stock exchange, interdealer quotation system or other self-regulatory organization with jurisdiction over the Company or any of its securities with respect to the Company's ability to issue shares of Common Stock in excess of the Cap Amount (such approvals being the "20% Approval") and (ii) increase the number of authorized shares of Common Stock of the Company (the "Share Authorization Increase Approval") such that at least 12,000,000 shares can be reserved for this Offering. In connection with such shareholder vote, the Company shall use its best efforts to cause all officers and directors of the Company to promptly enter into irrevocable agreements to vote all of their shares in favor of eliminating such prohibitions. As soon as practicable after the 20% Approval and the Share Authorization Increase Approval, the Company agrees to use its best efforts to reserve 12,000,000 shares of Common Stock for issuance under this Agreement.

5.26 ACKNOWLEDGMENT OF LIMITATIONS ON PUT AMOUNTS. The Company understands and acknowledges that the amounts available under this Investment Agreement are limited, among other things, based upon the liquidity of the Company's Common Stock traded on its Principal Market.

5.27 DILUTION. The number of shares of Common Stock issuable as Put Shares may increase substantially in certain circumstances, including, but not necessarily limited to, the circumstance wherein the trading price of the Common Stock declines during the period between the Effective Date and the end of the Commitment Period. The Company's executive officers and directors fully understand the nature of the transactions contemplated by this Agreement and recognize that they have a potential dilutive effect. The board of directors of the Company has concluded, in its good faith business judgment, that such issuance is in the best interests of the Company. The Company specifically acknowledges that, whenever the Company elects to initiate a Put, its obligation to issue the Put Shares is binding upon the Company and enforceable regardless of the dilution such issuance may have on the ownership interests of other shareholders of the Company.

6. COVENANTS OF THE COMPANY.

6.1 INDEPENDENT AUDITORS. The Company shall, until at least the Termination Date, maintain as its independent auditors an accounting firm authorized to practice before the SEC.

6.2 CORPORATE EXISTENCE AND TAXES; CHANGE IN CORPORATE ENTITY. The Company shall, until at least the Termination Date, maintain its corporate existence in good standing and, once it becomes a "Reporting Issuer" (defined as a Company which files periodic reports under the Exchange Act), remain a Reporting Issuer and shall pay all its taxes when due except for taxes which the Company disputes. The Company shall not, at any time after the date hereof, enter into any merger, consolidation or corporate reorganization of the Company with or into, or transfer all or substantially all of the assets of the Company to, another entity unless the resulting successor or acquiring entity in such transaction, if not the Company (the "Surviving Entity"),

(i) has Common Stock listed for trading on Nasdaq or on another national stock exchange and is a Reporting Issuer, (ii) assumes by written instrument the Company's obligations with respect to this Investment Agreement, the Registration Rights Agreement, the Transfer Agent Instructions, the Warrant Antidilution Agreement, the Warrants and the other agreements referred to herein, including but not limited to the obligations to deliver to the Investor shares of Common Stock and/or securities that Investor is entitled to receive pursuant to this Investment Agreement and upon exercise of the Warrants and agrees by written instrument to reissue, in the name of the Surviving Entity, any Warrants

(each in the same terms, including but not limited to the same reset provisions, as the applicable Warrant originally issued or required to be issued by the Company) that are outstanding immediately prior to such transaction, making appropriate proportional adjustments to the number of shares represented by such Warrants and the exercise prices of such Warrants to accurately reflect the exchange represented by the transaction.

6.3 REGISTRATION RIGHTS. The Company will enter into a registration rights agreement covering the resale of the Common Shares and the Warrant Shares substantially in the form of the Registration Rights Agreement attached as EXHIBIT A.

6.4 ASSET TRANSFERS. The Company shall not (i) transfer, sell, convey or otherwise dispose of any of its material assets to any subsidiary except for a cash or cash equivalent consideration and for a proper business purpose or (ii) transfer, sell, convey or otherwise dispose of any of its material assets to any Affiliate, as defined below, during the Term of this Agreement. For purposes hereof, "Affiliate" shall mean any officer of the Company, director of the Company or owner of twenty percent (20%) or more of the Common Stock or other securities of the Company.

6.5 CAPITAL RAISING LIMITATIONS AND RIGHTS OF FIRST REFUSAL.

6.5.1 CAPITAL RAISING LIMITATIONS. During the period from the date of this Agreement until the date that is sixty (60) days after the Termination Date, the Company shall not issue or sell, or agree to issue or sell Equity Securities (as defined below), for cash in private capital raising transactions without obtaining the prior written approval of the Investor of the Offering (the limitations referred to in this subsection 6.5.1 are collectively referred to as the "Capital Raising Limitations"). For purposes hereof, the following shall be collectively referred to herein as, the "Equity Securities": (i) Common Stock or any other equity securities, (ii) any debt or equity securities which are convertible into, exercisable or exchangeable for, or carry the right to receive additional shares of Common Stock or other equity securities, or (iii) any securities of the Company pursuant to an equity line structure or format similar in nature to this Offering.

6.5.2 INVESTOR'S RIGHT OF FIRST REFUSAL. For any private capital raising transactions of Equity Securities which close after the date hereof and on or prior to the date that is sixty (60) days after the Termination Date of this Agreement, not including any warrants issued in conjunction with this Investment Agreement, the Company agrees to deliver to Investor, at least ten (10) days prior to the closing of such transaction, written notice describing the proposed transaction, including the terms and conditions thereof, and providing the Investor and its affiliates an option (the "Right of First Refusal") during the ten (10) day period following delivery of such notice to purchase the securities being offered in such transaction on the same terms as contemplated by such transaction.

6.5.3 EXCEPTIONS TO CAPITAL RAISING LIMITATIONS AND RIGHTS OF FIRST REFUSAL. Notwithstanding the above, neither the Capital Raising Limitations nor the Rights of First Refusal shall apply to any transaction involving issuances of securities by the Company to a company being acquired by the Company, as payment to such company for such acquisition, or in connection with the exercise of options by employees or directors of the Company, or a primary underwritten offering of the Company's Common Stock. The Capital Raising Limitations and Rights of First Refusal also shall not apply to (a) the issuance of securities upon exercise or conversion of the Company's options, warrants or other convertible securities outstanding as of the date hereof, (b) the grant of additional options or warrants, or the issuance of additional securities, under any Company stock option or restricted stock plan for the benefit of the Company's employees or directors, or (c) the issuance of debt securities, with no equity feature, incurred solely for working capital purposes.

6.6 FINANCIAL 10-KSB STATEMENTS, ETC. AND CURRENT REPORTS ON FORM 8-K. The Company shall deliver to the Investor copies of its annual reports on Form 10-KSB, and quarterly reports on Form 10-QSB and shall deliver to the Investor current reports on Form 8-K within two (2) days of filing for the Term of this Agreement.

6.7 OPINION OF COUNSEL. Investor shall, concurrent with the Investment Commitment Closing, receive an opinion letter from the Company's legal counsel, in the form attached as EXHIBIT B, or in such form as agreed upon by the parties, and shall, concurrent with each Put Date, receive an opinion letter from the Company's legal counsel, in the form attached as EXHIBIT H or in such form as agreed upon by the parties.

6.8 REMOVAL OF LEGEND. If the certificates representing any Securities are issued with a restrictive Legend in accordance with the terms of this Agreement, the Legend shall be removed and the Company shall issue a certificate without such Legend to the holder of any Security upon which it is stamped, and a certificate for a security shall be originally issued without the Legend, if (a) the sale of such Security is registered under the Act, or (b) such holder provides the Company with an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions (the reasonable cost of which shall be borne by the Investor), to the effect that a public sale or transfer of such Security may be made without registration under the Act, or (c) such holder provides the Company with reasonable assurances that such Security can be sold pursuant to Rule 144. Each Investor agrees to sell all Securities, including those represented by a certificate(s) from which the Legend has been removed, or which were originally issued without the Legend, pursuant to an effective registration statement and to deliver a prospectus in connection with such sale or in compliance with an exemption from the registration requirements of the Act.

6.9 LISTING. Subject to the remainder of this Section 6.9, the Company shall ensure that its shares of Common Stock (including all Warrant Shares and Put Shares) are listed and available for trading on the O.T.C.

Bulletin Board. Thereafter, the Company shall (i) use its best efforts to continue the listing and trading of its Common Stock on the O.T.C. Bulletin Board or to become eligible for and listed and available for trading on the Nasdaq Small Cap Market, the NMS, or the New York Stock Exchange ("NYSE"); and (ii) comply in all material respects with the Company's reporting, filing and other obligations under the By-Laws or rules of the National Association of Securities Dealers ("NASD") and such exchanges, as applicable.

6.10 THE COMPANY'S INSTRUCTIONS TO TRANSFER AGENT. The Company will instruct the Transfer Agent of the Common Stock (the "Transfer Agent"), by delivering instructions in the form of EXHIBIT O hereto, to issue certificates, registered in the name of each Investor or its nominee, for the Put Shares and Warrant Shares in such amounts as specified from time to time by the Company upon any exercise by the Company of a Put and/or exercise of the Warrants by the holder thereof. Such certificates shall not bear a Legend unless issuance with a Legend is permitted by the terms of this Agreement and Legend removal is not permitted by Section 6.8 hereof and the Company shall cause the Transfer Agent to issue such certificates without a Legend. Nothing in this Section shall affect in any way Investor's obligations and agreement set forth in Sections 3.3.2 or 3.3.3 hereof to resell the Securities pursuant to an effective registration statement and to deliver a prospectus in connection with such sale or in compliance with an exemption from the registration requirements of applicable securities laws. If (a) an Investor provides the Company with an opinion of counsel, which opinion of counsel shall be in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from registration or (b) an Investor transfers Securities, pursuant to Rule 144, to a transferee which is an accredited investor, the Company shall permit the transfer, and, in the case of Put Shares and Warrant Shares, promptly instruct its transfer agent to issue one or more certificates in such name and in such denomination as specified by such Investor. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to an Investor by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 6.10 will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 6.10, that an Investor shall be entitled, in addition to all other available remedies, to an injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

6.11 STOCKHOLDER 20% APPROVAL. Prior to the closing of any Put that would cause the Aggregate Issued Shares to exceed the Cap Amount, if required by the rules of NASDAQ because the Company's Common Stock is listed on NASDAQ, the Company shall obtain approval of its stockholders to authorize the issuance of the full number of shares of Common Stock which would be issuable pursuant to this Agreement but for the Cap Amount and

eliminate any prohibitions under applicable law or the rules or regulations of any stock exchange, interdealer quotation system or other self-regulatory organization with jurisdiction over the Company or any of its securities with respect to the Company's ability to issue shares of Common Stock in excess of the Cap Amount (such approvals being the "Stockholder 20% Approval").

6.12 PRESS RELEASE. Any public announcement relating to this financing (a "Press Release") shall be submitted to the Investor for review at least two (2) business days prior to the planned release. The Company shall not disclose the Investor's name in any press release or other public announcement without the Investor's prior written approval. The Company shall obtain the Investor's written approval of the Press Release prior to issuance by the Company.

6.13 CHANGE IN LAW OR POLICY. In the event of a change in law, or policy of the SEC, as evidenced by a No-Action letter or other written statements of the SEC or the NASD which causes the Investor to be unable to perform its obligations hereunder, this Agreement shall be automatically terminated and no Termination Fee shall be due, provided that notwithstanding any termination under this section 6.13, the Investor shall retain full ownership of the Commitment Warrant as partial consideration for its commitment hereunder.

6.14. NOTICE OF CERTAIN EVENTS AFFECTING REGISTRATION; SUSPENSION OF RIGHT TO MAKE A PUT. The Company shall immediately notify the Investor, but in no event later than two (2) business days by facsimile and by overnight courier, upon the occurrence of any of the following events in respect of a Registration Statement or related prospectus in respect of an offering of Registrable Securities: (i) receipt of any request for additional information by the SEC or any other federal or state governmental authority during the period of effectiveness of the Registration Statement for amendments or supplements to the Registration Statement or related prospectus; (ii) the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (iv) the happening of any event that makes any statement made in such Registration Statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, related prospectus or documents so that, in the case of a Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the related prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the

light of the circumstances under which they were made, not misleading; (v) the declaration by the SEC of the effectiveness of a Registration Statement; and (vi) the Company's reasonable determination that a post-effective amendment to the Registration Statement would be appropriate, and the Company shall promptly make available to the Investor any such supplement or amendment to the related prospectus. The Company shall not deliver to the Investor any Put Notice during the continuation of any of the foregoing events.

6.15 ACKNOWLEDGMENT REGARDING INVESTOR'S PURCHASE OF THE SECURITIES. The Company acknowledges and agrees that the Investor is acting solely in the capacity of arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that the Investor is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby and any advice given by the Investor or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to the Investor's purchase of the Securities. The Company further represents to the Investor that the Company's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives and advisors.

6.16. LIQUIDATED DAMAGES. The parties hereto acknowledge and agree that the sums payable as Non-Usage Fees, Termination Fees and Ineffective Registration Payments shall each give rise to liquidated damages and not penalties. The parties further acknowledge that (a) the amount of loss or damages likely to be incurred by the Investor is incapable or is difficult to precisely estimate, (b) the amounts specified bear a reasonable proportion and are not plainly or grossly disproportionate to the probable loss likely to be incurred by the Investor, and (c) the parties are sophisticated business parties and have been represented by sophisticated and able legal and financial counsel and negotiated this Agreement at arm's length.

6.17. COPIES OF FINANCIAL STATEMENTS, REPORTS AND PROXY STATEMENTS. Promptly upon the mailing thereof to the shareholders of the Company generally, the Company shall deliver to the Investor copies of all financial statements, reports and proxy statements so mailed and any other document generally distributed to shareholders.

6.18. NOTICE OF CERTAIN LITIGATION. Promptly following the commencement thereof, the Company shall provide the Investor written notice and a description in reasonable detail of any litigation or proceeding to which the Company or any subsidiary of the Company is a party, in which the amount involved is $250,000 or more and which is not covered by insurance or in which injunctive or similar relief is sought.

6.19. MERGER TRANSACTION. The Company shall use its best efforts to consummate a transaction as soon as practicable after the date hereof

whereby a private company ("Private Company") is merged into the Company (a "Merger"). Prior to and as a condition to any Merger, the Company shall provide the Investor and obtain the Investor's approval of the following:

(a) a capitalization schedule outlining the fully diluted capitalization structure of the post-Merger entity,
(b) risk factors pertaining to the post Merger entity, sufficient for inclusion in the registration statement for this Offering,
(c) a key employee schedule, outlining the backgrounds and roles of the key employees of the post-Merger entity, and
(d) an intellectual property schedule outlining the patents, trademarks, trademark registrations, trade names, copyrights, know how, technology and other intellectual owned by the post-Merger business, and a statement from the other party to the Merger that, to the best such entity's knowledge after due inquiry, it is not infringing on the intellectual property rights of any third party, nor is any third party infringing on the Company's intellectual property rights, and that no restrictions in any agreements, licenses, franchises, or other instruments that preclude the Company from engaging in its business as presently conducted.

7. MISCELLANEOUS.

7.1 REPRESENTATIONS AND WARRANTIES SURVIVE THE CLOSING; SEVERABILITY. Investor's and the Company's representations and warranties shall survive the Investment Date and any Put Closing contemplated by this Agreement notwithstanding any due diligence investigation made by or on behalf of the party seeking to rely thereon. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, or is altered by a term required by the Securities Exchange Commission to be included in the Registration Statement, this Agreement shall continue in full force and effect without said provision; provided that if the removal of such provision materially changes the economic benefit of this Agreement to the Investor, this Agreement shall terminate.

7.2 SUCCESSORS AND ASSIGNS. This Agreement shall not be assignable by either party.

7.3 EXECUTION IN COUNTERPARTS PERMITTED. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one (1) instrument.

7.4 TITLES AND SUBTITLES; GENDER. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. The use in this Agreement of a masculine, feminine or neuter pronoun shall be deemed to

include a reference to the others.

7.5 WRITTEN NOTICES, ETC. Any notice, demand or request required or permitted to be given by the Company or Investor pursuant to the terms of this Agreement shall be in writing and shall be deemed given when delivered personally, or by facsimile or upon receipt if by overnight or two (2) day courier, addressed to the parties at the addresses and/or facsimile telephone number of the parties set forth at the end of this Agreement or such other address as a party may request by notifying the other in writing; provided, however, that in order for any notice to be effective as to the Investor such notice shall be delivered and sent, as specified herein, to all the addresses and facsimile telephone numbers of the Investor set forth at the end of this Agreement or such other address and/or facsimile telephone number as Investor may request in writing.

7.6 EXPENSES. Except as set forth in the Registration Rights Agreement, each of the Company and Investor shall pay all costs and expenses that it respectively incurs, with respect to the negotiation, execution, delivery and performance of this Agreement.

7.7 ENTIRE AGREEMENT; WRITTEN AMENDMENTS REQUIRED. This Agreement, including the Exhibits attached hereto, the Common Stock certificates, the Warrants, the Registration Rights Agreement, and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants, whether oral, written, or otherwise except as specifically set forth herein or therein. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

7.8 ACTIONS AT LAW OR EQUITY; JURISDICTION AND VENUE. The parties acknowledge that any and all actions, whether at law or at equity, and whether or not said actions are based upon this Agreement between the parties hereto, shall be filed in any state or federal court sitting in Atlanta, Georgia. Georgia law shall govern both the proceeding as well as the interpretation and construction of the Transaction Documents and the transaction as a whole. In any litigation between the parties hereto, the prevailing party, as found by the court, shall be entitled to an award of all attorney's fees and costs of court. Should the court refuse to find a prevailing party, each party shall bear its own legal fees and costs.

7.9 REPORTING ENTITY FOR THE COMMON STOCK. The reporting entity relied upon for the determination of the trading price or trading volume of the Common Stock on the Principal Market on any given Trading Day for the purposes of this Agreement shall be the Bloomberg L.P. The written mutual consent of the Investor and the Company shall be required to employ any other reporting entity.

8. SUBSCRIPTION AND WIRING INSTRUCTIONS; IRREVOCABILITY.

(a) WIRE TRANSFER OF SUBSCRIPTION FUNDS. Investor shall deliver Put Dollar Amounts (as payment towards any Put Share Price) by wire transfer, to the Company pursuant to a wire instruction letter to be provided by the Company, and signed by the Company.

(b) IRREVOCABLE SUBSCRIPTION. Investor hereby acknowledges and agrees, subject to the provisions of any applicable laws providing for the refund of subscription amounts submitted by Investor, that this Agreement is irrevocable and that Investor is not entitled to cancel, terminate or revoke this Agreement or any other agreements executed by such Investor and delivered pursuant hereto, and that this Agreement and such other agreements shall survive the death or disability of such Investor and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns. If the Securities subscribed for are to be owned by more than one person, the obligations of all such owners under this Agreement shall be joint and several, and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and his heirs, executors, administrators, successors, legal representatives and assigns.

9. INDEMNIFICATION AND REIMBURSEMENT.

(a) INDEMNIFICATION. In consideration of the Investor's execution and delivery of the Investment Agreement, the Registration Rights Agreement and the Warrants (the "Transaction Documents") and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless Investor and all of its stockholders, officers, directors, employees and direct or indirect investors and any of the foregoing person's agents, members, partners or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Indemnitees") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorney's fees and disbursements (the "Indemnified Liabilities"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or documents contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate,

instrument or document contemplated hereby or thereby, (c) any cause of action, suit or claim, derivative or otherwise, by any stockholder of the Company based on a breach or alleged breach by the Company or any of its officers or directors of their fiduciary or other obligations to the stockholders of the Company, or (d) claims made by third parties against any of the Indemnitees based on a violation of Section 5 of the Securities Act caused by the integration of the private sale of common stock to the Investor and the public offering pursuant to the Registration Statement.

To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which it would be required to make if such foregoing undertaking was enforceable which is permissible under applicable law.

Promptly after receipt by an Indemnified Party of notice of the commencement of any action pursuant to which indemnification may be sought, such Indemnified Party will, if a claim in respect thereof is to be made against the other party (hereinafter "Indemnitor") under this Section 9, deliver to the Indemnitor a written notice of the commencement thereof and the Indemnitor shall have the right to participate in and to assume the defense thereof with counsel reasonably selected by the Indemnitor, provided, however, that an Indemnified Party shall have the right to retain its own counsel, with the reasonably incurred fees and expenses of such counsel to be paid by the Indemnitor, if representation of such Indemnified Party by the counsel retained by the Indemnitor would be inappropriate due to actual or potential conflicts of interest between such Indemnified Party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the Indemnitor within a reasonable time of the commencement of any such action, if prejudicial to the Indemnitor's ability to defend such action, shall relieve the Indemnitor of any liability to the Indemnified Party under this Section 9, but the omission to so deliver written notice to the Indemnitor will not relieve it of any liability that it may have to any Indemnified Party other than under this Section 9 to the extent it is prejudicial.

(b) REIMBURSEMENT. If (i) the Investor, other than by reason of its gross negligence or willful misconduct, becomes involved in any capacity in any action, proceeding or investigation brought by any stockholder of the Company, in connection with or as a result of the consummation of the transactions contemplated by the Transaction Documents, or if the Investor is impleaded in any such action, proceeding or investigation by any person or entity, or (ii) the Investor, other than by reason of its gross negligence or willful misconduct, becomes involved in any capacity in any action, proceeding or investigation brought by the SEC against or involving the Company or in connection with or as a result of the consummation of the transactions contemplated by the Transaction Documents, or if the Investor is impleaded in any such action, proceeding or investigation by any person or entity, then in any such case, the Company will reimburse the Investor for its reasonable legal and other expenses (including the cost of any investigation and preparation)

incurred in connection therewith, as such expenses are incurred. In addition, other than with respect to any matter in which the Investor is a named party, the Company will pay the Investor the charges, as reasonably determined by the Investor, for the time of any officers or employees of the Investor devoted to appearing and preparing to appear as witnesses, assisting in preparation for hearing, trials or pretrial matters, or otherwise with respect to inquiries, hearing, trials, and other proceedings relating to the subject matter of this Agreement. The reimbursement obligations of the Company under this paragraph shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any Affiliates of the Investor who are actually named in such action, proceeding or investigation, and partners, directors, agents, employees and controlling persons (if any), as the case may be, of the Investor and any such Affiliate, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Investor and any such Affiliate and any such person or entity. The Company also agrees that neither the Investor nor any such Affiliate, partners, directors, agents, employees or controlling persons shall have any liability to the Company or any person asserting claims on behalf of or in right of the Company in connection with or as a result of the consummation of the Transaction Documents except to the extent that any losses, claims, damages, liabilities or expenses incurred by the Company result from the gross negligence or willful misconduct of the Investor or any inaccuracy in any representation or warranty of the Investor contained herein or any breach by the Investor of any of the provisions hereof.

[INTENTIONALLY LEFT BLANK]

10. ACCREDITED INVESTOR. Investor is an "accredited investor" because (check all applicable boxes):

(a) [ ] it is an organization described in Section 501(c)(3) of the Internal Revenue Code, or a corporation, limited duration company, limited liability company, business trust, or partnership not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000.

(b) [ ] any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.

(c) [ ] a natural person, who

[ ] is a director, executive officer or general partner of the issuer of the securities being offered or sold or a director, executive officer or general partner of a general partner of that issuer.

[ ] has an individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeding $1,000,000.

[ ] had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

(d) [ ] an entity each equity owner of which is an entity described in a - b above or is an individual who could check one (1) of the last three (3) boxes under subparagraph (c) above.

(e) [ ] other [specify]
_____.

The undersigned hereby subscribes the Maximum Offering Amount and acknowledges that this Agreement and the subscription represented hereby shall not be effective unless accepted by the Company as indicated below.

IN WITNESS WHEREOF, the undersigned Investor does represent and certify under penalty of perjury that the foregoing statements are true and correct and that Investor by the following signature(s) executed this Agreement.

Dated this 29th day of March, 2001.

SWARTZ PRIVATE EQUITY, LLC

By: _____
Eric S. Swartz, Manager

SECURITY DELIVERY INSTRUCTIONS:
Swartz Private Equity, LLC
c/o Eric S. Swartz
300 Colonial Center Parkway
Suite 300
Roswell, GA 30076

Telephone: (770) 640-8130

THIS AGREEMENT IS ACCEPTED BY THE COMPANY IN THE AMOUNT OF THE MAXIMUM OFFERING AMOUNT ON THE 29TH DAY OF MARCH, 2001.

PROVIDENCE CAPITAL IX, INC.

By:_____
Richard Nadeau, Jr., President

Address: 1250 Turks Head Building
Providence, RI 02903
Telephone (401) 272-5800
Facsimile (401) 272-5858

EXHIBIT F

ADVANCE PUT NOTICE

PROVIDENCE CAPITAL IX, INC. (the "Company") hereby intends, subject to the Individual Put Limit (as defined in the Investment Agreement), to elect to exercise a Put to sell the number of shares of Common Stock of the Company specified below, to _____, the Investor, as of the Intended Put Date written below, all pursuant to that certain Investment Agreement (the "Investment Agreement") by and between the Company and Swartz Private Equity, LLC dated on or about March 29, 2001.

Date of Advance Put Notice: _____

Intended Put Date: _____

Intended Put Share Amount: _____

Company Designation Maximum Put Dollar Amount (Optional):_____.

Company Designation Minimum Put Share Price (Optional): _____.

PROVIDENCE CAPITAL IX, INC.

By:
Richard Nadeau, Jr., President

Address: 1250 Turks Head Building
Providence, RI 02903
Telephone (401) 272-5800
Facsimile (401) 272-5858

CONFIRMATION OF ADVANCE PUT NOTICE

_____, the Investor, hereby confirms receipt of PROVIDENCE CAPITAL IX, INC.'s (the "Company") Advance Put Notice on the Advance Put Date written below, and its intention to elect to exercise a Put to sell shares of common stock ("Intended Put Share Amount") of the Company to the Investor, as of the intended Put Date written below, all pursuant to that certain Investment Agreement (the "Investment Agreement") by and between the Company and Swartz Private Equity, LLC dated on or about March 29, 2001.

Date of Confirmation: _____

Date of Advance Put Notice: _____

Intended Put Date: _____

Intended Put Share Amount: _____

Company Designation Maximum Put Dollar Amount (Optional):
_____.

Company Designation Minimum Put Share Price (Optional):
_____.

INVESTOR(S)

_____
Investor's Name

By: _____

(Signature)

Address: _____

_____

_____

Telephone No.: _____

Facsimile No.: _____

PUT NOTICE

PROVIDENCE CAPITAL IX, INC. (the "Company") hereby elects to exercise a Put to sell shares of common stock ("Common Stock") of the Company to _____, the Investor, as of the Put Date, at the Put Share Price and for the number of Put Shares written below, all pursuant to that certain Investment Agreement (the "Investment Agreement") by and between the Company and Swartz Private Equity, LLC dated on or about March 29, 2001.

Put Date: _____

Intended Put Share Amount (from Advance Put Notice):
_____ Common Shares

Company Designation Maximum Put Dollar Amount (Optional):
_____.

Company Designation Minimum Put Share Price (Optional):
_____.

Note: Capitalized terms shall have the meanings ascribed to them in this Investment Agreement.

PROVIDENCE CAPITAL IX, INC.

By:
Richard Nadeau, Jr., President

Address: 1250 Turks Head Building

Providence, RI 02903
Telephone (401) 272-5800
Facsimile (401) 272-5858

CONFIRMATION OF PUT NOTICE

_____, the Investor, hereby confirms receipt of Providence Capital IX, Inc. (the "Company") Put Notice and election to exercise a Put to sell _____ shares of common stock ("Common Stock") of the Company to Investor, as of the Put Date, all pursuant to that certain Investment Agreement (the "Investment Agreement") by and between the Company and Swartz Private Equity, LLC dated on or about March 29, 2001.

Date of Confirmation: _____

Date of Put Notice: _____

Put Date: _____

Intended Put Share Amount: _____

Company Designation Maximum Put Dollar Amount (Optional):
_____.

Company Designation Minimum Put Share Price (Optional):
_____.

INVESTOR(S)

_____
Investor's Name

By: _____
(Signature)

Address: _____

_____

_____

Telephone No.: _____

Facsimile No.: _____

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXERCISED UNLESS (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (ii) AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS IS AVAILABLE IN CONNECTION WITH SUCH OFFER, SALE OR TRANSFER.

AN INVESTMENT IN THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK. HOLDERS MUST RELY ON THEIR OWN ANALYSIS OF THE INVESTMENT AND ASSESSMENT OF THE RISKS INVOLVED.

Warrant to Purchase
"X" shares

WARRANT TO PURCHASE COMMON STOCK
OF
PROVIDENCE CAPITAL IX, INC.

THIS CERTIFIES that SWARTZ PRIVATE EQUITY, LLC, or any subsequent holder hereof pursuant to Section 8 hereof ("Holder") has the right to purchase from Providence Capital IX, Inc., a Colorado corporation (the "Company"), up to "X" (as defined below) fully paid and nonassessable shares of the Company's common stock, $0.001 par value per share ("Common Stock"), subject to adjustment as provided herein, at a price equal to the Exercise Price as defined in Section 3 below, at any time beginning on the Date of Issuance (defined below) and ending at 5:00 p.m., New York, New York time, on the date that is five (5) years after the date of a Merger, as defined below (the "Exercise Period"). The Company shall use its best efforts to consummate a transaction as soon as practicable after the date hereof whereby a private company ("Private Company") is merged into the Company (a "Merger"). For purposes hereof, "X" shall equal 8% of the number of outstanding shares of Common Stock of the Company, on a fully diluted basis, immediately following a Merger.

Holder agrees with the Company that this Warrant to Purchase Common Stock of the Company (this "Warrant") is issued and all rights hereunder shall be held subject to all of the conditions, limitations and provisions set forth herein.

1. DATE OF ISSUANCE AND TERM.

This Warrant shall be deemed to be issued on February 6, 2001 ("Date of Issuance"). The term of this Warrant is from the Date of Issuance through the date that is five (5) years after the date of a Merger.

This Warrant is fully exercisable any time after a Merger has occurred.

Notwithstanding anything to the contrary herein, the applicable portion of this Warrant shall not be exercisable during any time that, and only to the extent that, the number of shares of Common Stock to be issued to Holder upon such exercise, when added to the number of shares of Common Stock, if any, that the Holder otherwise beneficially owns at the time of such exercise, would equal or exceed 4.99% of the number of shares of Common Stock then outstanding, as determined in accordance with Section 13(d) of the Exchange Act (the "4.99% Limitation"). The 4.99% Limitation shall be conclusively satisfied if the applicable Exercise Notice includes a signed representation by the Holder that the issuance of the shares in such Exercise Notice will not violate the 4.99% Limitation, and the Company shall not be entitled to require additional documentation of such satisfaction.

2. EXERCISE.

(A) MANNER OF EXERCISE. During the Exercise Period, this Warrant may be exercised as to all or any lesser number of full shares of Common Stock covered hereby (the "Warrant Shares") upon surrender of this Warrant, with the Exercise Form attached hereto as EXHIBIT A (the "Exercise Form") duly completed and executed, together with the full Exercise Price (as defined below) for each share of Common Stock as to which this Warrant is exercised, at the office of the Company, Attention: Richard Nadeau, Jr., President, 1250 Turks Head Building, Providence, RI 02903; Telephone: (401) 272-5800, Facsimile: (401) 272-5858, or at such other office or agency as the Company may designate in writing, by overnight mail, with an advance copy of the Exercise Form sent to the Company and its Transfer Agent by facsimile (such surrender and payment of the Exercise Price hereinafter called the "Exercise of this Warrant").

(B) DATE OF EXERCISE. The "Date of Exercise" of the Warrant shall be defined as the date that the advance copy of the completed and executed Exercise Form is sent by facsimile to the Company, provided that the original Warrant and Exercise Form are received by the Company as soon as practicable thereafter. Alternatively, the Date of Exercise shall be defined as the date the original Exercise Form is received by the Company, if Holder has not sent advance notice by facsimile.

(C) DELIVERY OF SHARES OF COMMON STOCK UPON EXERCISE. Upon any exercise of this Warrant, the Company shall use its reasonable best efforts to deliver, or shall cause its transfer agent to deliver, a stock certificate or certificates representing the number of shares of Common Stock into which this Warrant was exercised, within three (3) trading days (the "Share Delivery Deadline") of the date that all of the following have been received by the Company: (i) the original completed and executed Exercise Form, (ii) the original Warrant and (iii) the Exercise Price (if applicable)(collectively, the "Receipt Date"). Such stock certificates shall not contain a legend restricting transfer if a

registration statement covering the resale of such shares of Common Stock is in effect at the time of such exercise or if such shares of Common Stock may be resold pursuant to an exemption from registration, including but not limited to Rule 144 under the Securities Act of 1933.

(D) BUY-IN CURE. If (i) the Company fails for any reason to deliver the requisite number of shares of Common Stock (unlegended, if so required by the terms of this Warrant)(the "Warrant Shares") to a Holder upon an exercise of this Warrant by the Share Delivery Deadline, (ii) the Holder has sold some or all of the Warrant Shares (the "Sold Shares") which such Holder anticipated receiving upon such Exercise, and (iii) after the applicable Share Delivery Deadline with respect to such Exercise, the broker that sold the Sold Shares for Holder purchases (in an open market transaction or otherwise) shares of Common Stock to make delivery upon the sale by a Holder of the Sold Shares (a "Buy-In"), the Company shall pay such Holder within two (2) business days following receipt of written notice of a claim pursuant to this Section 2(d) (in addition to any other remedies available to Holder) the amount (a "Buy-In Payment") by which (x) such Holder's total purchase price (including brokerage commission, if any) for the shares of Common Stock so purchased exceeds (y) the net proceeds received by such Holder from the sale of the Sold Shares. For example, if a Holder purchases shares of Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to shares of Common Stock sold for $10,000, the Company will be required to pay such Holder $1,000. A Holder shall provide the Company written notification indicating any amounts payable to Holder pursuant to this Section 2(d).

(E) LIQUIDATED DAMAGES. The parties hereto acknowledge and agree that the sums payable as Buy-In Payments shall give rise to liquidated damages and not penalties. The parties further acknowledge that (i) the amount of loss or damages likely to be incurred by the Holder is incapable or is difficult to precisely estimate, (ii) the amounts specified bear a reasonable proportion and are not plainly or grossly disproportionate to the probable loss likely to be incurred by the Investor, and (iii) the parties are sophisticated business parties and have been represented by sophisticated and able legal and financial counsel and negotiated this Agreement at arm's length.

(F) CANCELLATION OF WARRANT. This Warrant shall be canceled upon the Exercise of this Warrant, and, as soon as practical after the Date of Exercise, Holder shall be entitled to receive Common Stock for the number of shares purchased upon such Exercise of this Warrant, and if this Warrant is not exercised in full, Holder shall be entitled to receive a new Warrant (containing terms identical to this Warrant) representing any unexercised portion of this Warrant in addition to such Common Stock.

(G) HOLDER OF RECORD. Each person in whose name any Warrant for shares of Common Stock is issued shall, for all purposes, be deemed to be the Holder of record of such shares on the Date of Exercise of this Warrant, irrespective of the date of delivery of the Common Stock

purchased upon the Exercise of this Warrant. Nothing in this Warrant shall be construed as conferring upon Holder any rights as a stockholder of the Company.

3. PAYMENT OF WARRANT EXERCISE PRICE.

The Exercise Price per share ("Exercise Price") shall initially equal (the "Initial Exercise Price") the Merger Valuation divided by the number of shares of Common Stock of the combined Company outstanding at the time of, and accounting for, the Merger, where the "Merger Valuation" equals the agreed upon combined aggregate valuation of the Company and the Private Company at the time of the Merger. If the Date of Exercise is more than six (6) months after the date of a Merger (as defined above), the Exercise Price shall be reset to equal the lesser of (i) the Exercise Price then in effect, or (ii) the "Lowest Reset Price," as that term is defined below. The Company shall calculate a "Reset Price" on each six-month anniversary date of the date of a Merger, which shall equal one hundred percent (100%) of the lowest Closing Price of the Company's Common Stock for the five (5) trading days ending on such six-month anniversary date of the date of the Merger. The "Lowest Reset Price" shall equal the lowest Reset Price determined on any six-month anniversary date of the date of a Merger preceding the Date of Exercise, taking into account, as appropriate, any adjustments made pursuant to Section 5 hereof.

For purposes hereof, the term "Closing Price" shall mean the closing price on the Nasdaq Small Cap Market, the National Market System ("NMS"), the New York Stock Exchange, or the O.T.C. Bulletin Board, or if no longer traded on the Nasdaq Small Cap Market, the National Market System ("NMS"), the New York Stock Exchange, or the O.T.C. Bulletin Board, the "Closing Price" shall equal the closing price on the principal national securities exchange or the over-the-counter system on which the Common Stock is so traded and, if not available, the mean of the high and low prices on the principal national securities exchange on which the Common Stock is so traded.

Payment of the Exercise Price may be made by either of the following, or a combination thereof, at the election of Holder:

(i) CASH EXERCISE: cash, bank or cashiers check or wire transfer; or

(ii) CASHLESS EXERCISE: The Holder, at its option, may exercise this Warrant in a cashless exercise transaction under this subsection (ii) if and only if, on the Date of Exercise, there is not then in effect a current registration statement that covers the resale of the shares of Common Stock to be issued upon exercise of this Warrant . In order to effect a Cashless Exercise, the Holder shall surrender this Warrant at the principal office of the Company together with notice of cashless election, in which event the Company shall issue Holder a number of shares of Common Stock computed using the following formula:

$$X = Y (A-B)/A$$

where: X = the number of shares of Common Stock to be issued to Holder.

Y = the number of shares of Common Stock for which this Warrant is being exercised.

A = the Market Price of one (1) share of Common Stock (for purposes of this Section 3(ii), the "Market Price" shall be defined as the average Closing Price of the Common Stock for the five (5) trading days prior to the Date of Exercise of this Warrant (the "Average Closing Price"), as reported by the O.T.C. Bulletin Board, National Association of Securities Dealers Automated Quotation System ("Nasdaq") Small Cap Market, or if the Common Stock is not traded on the Nasdaq Small Cap Market, the Average Closing Price in any other over-the-counter market; provided, however, that if the Common Stock is listed on a stock exchange, the Market Price shall be the Average Closing Price on such exchange for the five (5) trading days prior to the date of exercise of the Warrants. If the Common Stock is/was not traded during the five (5) trading days prior to the Date of Exercise, then the closing price for the last publicly traded day shall be deemed to be the closing price for any and all (if applicable) days during such five (5) trading day period.

B = the Exercise Price.

For purposes of Rule 144 and sub-section (d)(3)(ii) thereof, it is intended, understood and acknowledged that the Common Stock issuable upon exercise of this Warrant in a cashless exercise transaction shall be deemed to have been acquired at the time this Warrant was issued. Moreover, it is intended, understood and acknowledged that the holding period for the Common Stock issuable upon exercise of this Warrant in a cashless exercise transaction shall be deemed to have commenced on the date this Warrant was issued.

4. TRANSFER AND REGISTRATION.

(a) TRANSFER RIGHTS. Subject to the provisions of Section 8 of this Warrant, this Warrant may be transferred on the books of the Company, in whole or in part, in person or by attorney, upon surrender of this Warrant properly completed and endorsed. This Warrant shall be canceled upon such surrender and, as soon as practicable thereafter, the person to whom such transfer is made shall be entitled to receive a new Warrant or Warrants as to the portion of this Warrant transferred, and Holder shall be entitled to receive a new Warrant as to the portion hereof retained.

(b) REGISTRABLE SECURITIES. In addition to any other registration rights of the Holder, if the Common Stock issuable upon exercise of this

Warrant is not registered for resale at the time the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its Common Stock under the Act (other than a registration relating solely for the sale of securities to participants in a Company stock plan or a registration on Form S-4 promulgated under the Act or any successor or similar form registering stock issuable upon a reclassification, upon a business combination involving an exchange of securities or upon an exchange offer for securities of the issuer or another entity)(a "Piggyback Registration Statement"), the Company shall cause to be included in such Piggyback Registration Statement ("Piggyback Registration") all of the Common Stock issuable upon the exercise of this Warrant ("Registrable Securities") to the extent such inclusion does not violate the registration rights of any other securityholder of the Company granted prior to the date hereof. Nothing herein shall prevent the Company from withdrawing or abandoning the Piggyback Registration Statement prior to its effectiveness.

(c) LIMITATION ON OBLIGATIONS TO REGISTER UNDER A PIGGYBACK REGISTRATION. In the case of a Piggyback Registration pursuant to an underwritten public offering by the Company, if the managing underwriter determines and advises in writing that the inclusion in the registration statement of all Registrable Securities proposed to be included would interfere with the successful marketing of the securities proposed to be registered by the Company, then the number of such Registrable Securities to be included in the Piggyback Registration Statement, to the extent such Registrable Securities may be included in such Piggyback Registration Statement, shall be allocated among all Holders who had requested Piggyback Registration pursuant to the terms hereof, in the proportion that the number of Registrable Securities which each such Holder seeks to register bears to the total number of Registrable Securities sought to be included by all Holders. If required by the managing underwriter of such an underwritten public offering, the Holders shall enter into a reasonable agreement limiting the number of Registrable Securities to be included in such Piggyback Registration Statement and the terms, if any, regarding the future sale of such Registrable Securities.

5. ANTI-DILUTION ADJUSTMENTS.

(a) STOCK DIVIDEND. If the Company shall at any time declare a dividend payable in shares of Common Stock, then Holder, upon Exercise of this Warrant after the record date for the determination of holders of Common Stock entitled to receive such dividend, shall be entitled to receive upon Exercise of this Warrant, in addition to the number of shares of Common Stock as to which this Warrant is exercised, such additional shares of Common Stock as such Holder would have received had this Warrant been exercised immediately prior to such record date and the Exercise Price will be proportionately adjusted.

(b) RECAPITALIZATION OR RECLASSIFICATION.

(i) STOCK SPLIT. If the Company shall at any time effect a recapitalization, reclassification or other similar transaction of such character that the shares of Common Stock shall be changed into or become exchangeable for a LARGER number of shares (a "Stock Split"), then upon the effective date thereof, the number of shares of Common Stock which Holder shall be entitled to purchase upon Exercise of this Warrant shall be increased in direct proportion to the increase in the number of shares of Common Stock by reason of such recapitalization, reclassification or similar transaction, and the Exercise Price shall be proportionally decreased.

(ii) REVERSE STOCK SPLIT. If the Company shall at any time effect a recapitalization, reclassification or other similar transaction of such character that the shares of Common Stock shall be changed into or become exchangeable for a SMALLER number of shares (a "Reverse Stock Split"), then upon the effective date thereof, the number of shares of Common Stock which Holder shall be entitled to purchase upon Exercise of this Warrant shall be proportionately decreased and the Exercise Price shall be proportionally increased. The Company shall give Holder the same notice it provides to holders of Common Stock of any transaction described in this Section 5(b).

(c) DISTRIBUTIONS. If the Company shall at any time distribute for no consideration to holders of Common Stock cash, evidences of indebtedness or other securities or assets (other than cash dividends or distributions payable out of earned surplus or net profits for the current or preceding years) then, in any such case, Holder shall be entitled to receive, upon Exercise of this Warrant, with respect to each share of Common Stock issuable upon such exercise, the amount of cash or evidences of indebtedness or other securities or assets which Holder would have been entitled to receive with respect to each such share of Common Stock as a result of the happening of such event had this Warrant been exercised immediately prior to the record date or other date fixing shareholders to be affected by such event (the "Determination Date") or, in lieu thereof, if the Board of Directors of the Company should so determine at the time of such distribution, a reduced Exercise Price determined by multiplying the Exercise Price on the Determination Date by a fraction, the numerator of which is the result of such Exercise Price reduced by the value of such distribution applicable to one share of Common Stock (such value to be determined by the Board of Directors of the Company in its discretion) and the denominator of which is such Exercise Price.

(d) NOTICE OF CONSOLIDATION OR MERGER AND WARRANT EXCHANGE. The Company shall not, at any time after the date hereof, effect a merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock shall be changed into the same or a different number of shares of the same or another class or classes of stock or securities or other assets of the Company or another entity or there is a sale of all or substantially all the Company's assets (a "Corporate Change"), unless the resulting

successor or acquiring entity (the "Resulting Entity") assumes by written instrument the Company's obligations under this Warrant, including but not limited to the Exercise Price reset provisions as provided herein during the term of the resultant warrants, and agrees in such written instrument that this Warrant shall be exerciseable into such class and type of securities or other assets of the Resulting Entity as Holder would have received had Holder exercised this Warrant immediately prior to such Corporate Change, and the Exercise Price of this Warrant shall be proportionately increased (if this Warrant shall be changed into or become exchangeable for a warrant to purchase a smaller number of shares of Common Stock of the Resulting Entity) or shall be proportionately decreased (if this Warrant shall be changed or become exchangeable for a warrant to purchase a larger number of shares of Common Stock of the Resulting Entity); provided, however, that Company may not affect any Corporate Change unless it first shall have given thirty (30) days notice to Holder hereof of any Corporate Change.

(e) EXERCISE PRICE ADJUSTED. As used in this Warrant, the term "Exercise Price" shall mean the purchase price per share specified in Section 3 of this Warrant, until the occurrence of an event stated in subsection (a), (b), (c) or (d) of this Section 5, and thereafter shall mean said price as adjusted from time to time in accordance with the provisions of this Warrant. No such adjustment under this Section 5 shall be made unless such adjustment would change the Exercise Price at the time by $0.01 or more; provided, however, that all adjustments not so made shall be deferred and made when the aggregate thereof would change the Exercise Price at the time by $0.01 or more.

(f) ADJUSTMENTS: ADDITIONAL SHARES, SECURITIES OR ASSETS. In the event that at any time, as a result of an adjustment made pursuant to this Section 5, Holder shall, upon Exercise of this Warrant, become entitled to receive shares and/or other securities or assets (other than Common Stock) then, wherever appropriate, all references herein to shares of Common Stock shall be deemed to refer to and include such shares and/or other securities or assets; and thereafter the number of such shares and/or other securities or assets shall be subject to adjustment from time to time in a manner and upon terms as nearly equivalent as practicable to the provisions of this Section 5.

6. FRACTIONAL INTERESTS.

No fractional shares or scrip representing fractional shares shall be issuable upon the Exercise of this Warrant, but on Exercise of this Warrant, Holder may purchase only a whole number of shares of Common Stock. If, on Exercise of this Warrant, Holder would be entitled to a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon exercise shall be the next higher number of shares.

7. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance such number of authorized and unissued shares of Common Stock (or other securities substituted therefor as herein above provided) as shall be sufficient for the Exercise of this Warrant and payment of the Exercise Price. The Company covenants and agrees that upon the Exercise of this Warrant, all shares of Common Stock issuable upon such exercise shall be duly and validly issued, fully paid, nonassessable and not subject to preemptive rights, rights of first refusal or similar rights of any person or entity.

8. RESTRICTIONS ON TRANSFER.

(a) REGISTRATION OR EXEMPTION REQUIRED. This Warrant has been issued in a transaction exempt from the registration requirements of the Act by virtue of Regulation D and exempt from state registration under applicable state laws. The Warrant and the Common Stock issuable upon the Exercise of this Warrant may not be pledged, transferred, sold or assigned except pursuant to an effective registration statement or unless the Company has received an opinion from the Company's counsel to the effect that such registration is not required, or the Holder has furnished to the Company an opinion of the Holder's counsel, which counsel shall be reasonably satisfactory to the Company, to the effect that such registration is not required; the transfer complies with any applicable state securities laws; and, if no registration covering the resale of the Warrant Shares is effective at the time the Warrant Shares are issued, the Holder consents to a legend being placed on certificates for the Warrant Shares stating that the securities have not been registered under the Securities Act and referring to such restrictions on transferability and sale.

(b) ASSIGNMENT. If Holder can provide the Company with reasonably satisfactory evidence that the conditions of (a) above regarding registration or exemption have been satisfied, Holder may sell, transfer, assign, pledge or otherwise dispose of this Warrant, in whole or in part. Holder shall deliver a written notice to Company, substantially in the form of the Assignment attached hereto as EXHIBIT B, indicating the person or persons to whom the Warrant shall be assigned and the respective number of warrants to be assigned to each assignee. The Company shall effect the assignment within ten (10) days, and shall deliver to the assignee(s) designated by Holder a Warrant or Warrants of like tenor and terms for the appropriate number of shares.

9. BENEFITS OF THIS WARRANT.

Nothing in this Warrant shall be construed to confer upon any person other than the Company and Holder any legal or equitable right, remedy or claim under this Warrant and this Warrant shall be for the sole and exclusive benefit of the Company and Holder.

10. APPLICABLE LAW; ARBITRATION.

This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia applicable to agreements made in and wholly to be performed in that jurisdiction, except for matters arising under the Act or the Securities Exchange Act of 1934, which matters shall be construed and interpreted in accordance with such laws. Any controversy or claim arising out of or related to this Warrant or the breach thereof, shall be settled by binding arbitration in Atlanta, Georgia in accordance with the Expedited Procedures (Rules 53-57) of the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). A proceeding shall be commenced upon written demand by Company or any Investor to the other. The arbitrator(s) shall enter a judgment by default against any party, which fails or refuses to appear in any properly noticed arbitration proceeding. The proceeding shall be conducted by one (1) arbitrator, unless the amount alleged to be in dispute exceeds two hundred fifty thousand dollars ($250,000), in which case three (3) arbitrators shall preside. The arbitrator(s) will be chosen by the parties from a list provided by the AAA, and if they are unable to agree within ten (10) days, the AAA shall select the arbitrator(s). The arbitrators must be experts in securities law and financial transactions. The arbitrators shall assess costs and expenses of the arbitration, including all attorneys' and experts' fees, as the arbitrators believe is appropriate in light of the merits of the parties' respective positions in the issues in dispute. Each party submits irrevocably to the jurisdiction of any state court sitting in Atlanta, Georgia or to the United States District Court sitting in Georgia for purposes of enforcement of any discovery order, judgment or award in connection with such arbitration. The award of the arbitrator(s) shall be final and binding upon the parties and may be enforced in any court having jurisdiction. The arbitration shall be held in such place as set by the arbitrator(s) in accordance with Rule 55.

Although the parties, as expressed above, agree that all claims, including claims that are equitable in nature, for example specific performance, shall initially be prosecuted in the binding arbitration procedure outlined above, if the arbitration panel dismisses or otherwise fails to entertain any or all of the equitable claims asserted by reason of the fact that it lacks jurisdiction, power and/or authority to consider such claims and/or direct the remedy requested, then, in only that event, will the parties have the right to initiate litigation respecting such equitable claims or remedies. The forum for such equitable relief shall be in either a state or federal court sitting in Atlanta, Georgia. Each party waives any right to a trial by jury, assuming such right exists in an equitable proceeding, and irrevocably submits to the jurisdiction of said Georgia court.

11. LOSS OF WARRANT.

Upon receipt by the Company of evidence of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to

the Company, and upon surrender and cancellation of this Warrant, if mutilated, the Company shall execute and deliver a new Warrant of like tenor and date.

12. NOTICE OR DEMANDS.

Notices or demands pursuant to this Warrant to be given or made by Holder to or on the Company shall be sufficiently given or made if sent by certified or registered mail, return receipt requested, postage prepaid, and addressed, until another address is designated in writing by the Company, to the address set forth in Section 2(a) above. Notices or demands pursuant to this Warrant to be given or made by the Company to or on Holder shall be sufficiently given or made if sent by certified or registered mail, return receipt requested, postage prepaid, and addressed, to the address of Holder set forth in the Company's records, until another address is designated in writing by Holder.

IN WITNESS WHEREOF, the undersigned has executed this Warrant as of the 17th day of April, 2001.

PROVIDENCE CAPITAL IX, INC.

By: _____
Richard Nadeau, Jr., President

EXHIBIT A

EXERCISE FORM FOR WARRANT

TO: PROVIDENCE CAPITAL IX, INC.

The undersigned hereby irrevocably exercises the right to purchase _____ of the shares of Common Stock (the "Common Stock") of Providence Capital IX, Inc. a Colorado corporation (the "Company"), evidenced by the attached warrant (the "Warrant"), and herewith makes payment of the exercise price with respect to such shares in full, all in accordance with the conditions and provisions of said Warrant.

1. The undersigned agrees not to offer, sell, transfer or otherwise dispose of any of the Common Stock obtained on exercise of the Warrant, except in accordance with the provisions of Section 8(a) of the Warrant.

2. The undersigned requests that stock certificates for such shares be issued free of any restrictive legend, if appropriate, and a warrant

representing any unexercised portion hereof be issued, pursuant to the Warrant in the name of the undersigned and delivered to the undersigned at the address set forth below:

Dated: _____

_____
Signature

_____
Print Name

_____
Address

_____

NOTICE

The signature to the foregoing Exercise Form must correspond to the name as written upon the face of the attached Warrant in every particular, without alteration or enlargement or any change whatsoever.

_____

EXHIBIT B

ASSIGNMENT

(To be executed by the registered holder
desiring to transfer the Warrant)

FOR VALUE RECEIVED, the undersigned holder of the attached warrant (the "Warrant") hereby sells, assigns and transfers unto the person or persons below named the right to purchase _____ shares of the Common Stock of Providence Capital IX, Inc., evidenced by the attached Warrant and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Warrant on the books of the Company, with full power of substitution in the premises.

Dated:

_____
Signature

Fill in for new registration of Warrant:

_____
Name

_____
Address

_____
Please print name and address of assignee
(including zip code number)

_____

NOTICE

The signature to the foregoing Assignment must correspond to the name as Written upon the face of the attached Warrant in every particular, without alteration or enlargement or any change whatsoever.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXERCISED UNLESS (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (ii) AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS IS AVAILABLE IN CONNECTION WITH SUCH OFFER, SALE OR TRANSFER.

AN INVESTMENT IN THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK. HOLDERS MUST RELY ON THEIR OWN ANALYSIS OF THE INVESTMENT AND ASSESSMENT OF THE RISKS INVOLVED.

Warrant to Purchase
_____ shares

WARRANT TO PURCHASE COMMON STOCK
OF
PROVIDENCE CAPITAL IX, INC.

THIS CERTIFIES that SWARTZ PRIVATE EQUITY, LLC, or any subsequent holder hereof pursuant to Section 8 hereof ("Holder") has the right to purchase from Providence Capital IX, Inc., a Colorado corporation (the "Company"), up to _____ fully paid and nonassessable shares of the Company's common stock, $0.001 par value per share ("Common Stock"), subject to adjustment as provided herein, at a price equal to the Exercise Price as defined in Section 3 below, at any time beginning on the Date of Issuance (defined below) and ending at 5:00 p.m., New York, New York time, on the date that is five (5) years after the Date of Issuance (the "Exercise Period").

Holder agrees with the Company that this Warrant to Purchase Common Stock of the Company (this "Warrant") is issued and all rights hereunder shall be held subject to all of the conditions, limitations and provisions set forth herein.

1. DATE OF ISSUANCE AND TERM.

This Warrant shall be deemed to be issued on _____, 200_ ("Date of Issuance"). The term of this Warrant is five (5) years from the Date of Issuance.

Notwithstanding anything to the contrary herein, the applicable portion of this Warrant shall not be exercisable during any time that, and only to the extent that, the number of shares of Common Stock to be issued to Holder upon such exercise, when added to the number of shares of Common Stock, if any, that the Holder otherwise beneficially owns at

the time of such exercise, would equal or exceed 4.99% of the number of shares of Common Stock then outstanding, as determined in accordance with Section 13(d) of the Exchange Act (the "4.99% Limitation"). The 4.99% Limitation shall be conclusively satisfied if the applicable Exercise Notice includes a signed representation by the Holder that the issuance of the shares in such Exercise Notice will not violate the 4.99% Limitation, and the Company shall not be entitled to require additional documentation of such satisfaction.

2. EXERCISE.

(A) MANNER OF EXERCISE. During the Exercise Period, this Warrant may be exercised as to all or any lesser number of full shares of Common Stock covered hereby (the "Warrant Shares") upon surrender of this Warrant, with the Exercise Form attached hereto as EXHIBIT A (the "Exercise Form") duly completed and executed, together with the full Exercise Price (as defined below) for each share of Common Stock as to which this Warrant is exercised, at the office of the Company, Attention: Richard Nadeau, Jr., Providence Capital IX, Inc., 1250 Turks Head Building, Providence, RI 02903; Telephone: (401) 272-5800, Facsimile: (401) 272-5858, or at such other office or agency as the Company may designate in writing, by overnight mail, with an advance copy of the Exercise Form sent to the Company and its Transfer Agent by facsimile (such surrender and payment of the Exercise Price hereinafter called the "Exercise of this Warrant").

(B) DATE OF EXERCISE. The "Date of Exercise" of the Warrant shall be defined as the date that the advance copy of the completed and executed Exercise Form is sent by facsimile to the Company, provided that the original Warrant and Exercise Form are received by the Company as soon as practicable thereafter. Alternatively, the Date of Exercise shall be defined as the date the original Exercise Form is received by the Company, if Holder has not sent advance notice by facsimile.

(C) DELIVERY OF SHARES OF COMMON STOCK UPON EXERCISE. Upon any exercise of this Warrant, the Company shall use its reasonable best efforts to deliver, or shall cause its transfer agent to deliver, a stock certificate or certificates representing the number of shares of Common Stock into which this Warrant was exercised, within three (3) trading days (the "Share Delivery Deadline") of the date that all of the following have been received by the Company: (i) the original completed and executed Exercise Form, (ii) the original Warrant and (iii) the Exercise Price (if applicable)(collectively, the "Receipt Date"). Such stock certificates shall not contain a legend restricting transfer if a registration statement covering the resale of such shares of Common Stock is in effect at the time of such exercise or if such shares of Common Stock may be resold pursuant to an exemption from registration, including but not limited to Rule 144 under the Securities Act of 1933.

(D) BUY-IN CURE. If (i) the Company fails for any reason to deliver the requisite number of shares of Common Stock (unlegended, if so

required by the terms of this Warrant)(the "Warrant Shares") to a Holder upon an exercise of this Warrant by the Share Delivery Deadline, (ii) the Holder has sold some or all of the Warrant Shares (the "Sold Shares") which such Holder anticipated receiving upon such Exercise, and (iii) after the applicable Share Delivery Deadline with respect to such Exercise, the broker that sold the Sold Shares for Holder purchases (in an open market transaction or otherwise) shares of Common Stock to make delivery upon the sale by a Holder of the Sold Shares (a "Buy-In"), the Company shall pay such Holder within two (2) business days following receipt of written notice of a claim pursuant to this Section 2(d) (in addition to any other remedies available to Holder) the amount (a "Buy-In Payment") by which (x) such Holder's total purchase price (including brokerage commission, if any) for the shares of Common Stock so purchased exceeds (y) the net proceeds received by such Holder from the sale of the Sold Shares. For example, if a Holder purchases shares of Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to shares of Common Stock sold for $10,000, the Company will be required to pay such Holder $1,000. A Holder shall provide the Company written notification indicating any amounts payable to Holder pursuant to this Section 2(d).

(E) LIQUIDATED DAMAGES. The parties hereto acknowledge and agree that the sums payable as Buy-In Payments shall give rise to liquidated damages and not penalties. The parties further acknowledge that (i) the amount of loss or damages likely to be incurred by the Holder is incapable or is difficult to precisely estimate, (ii) the amounts specified bear a reasonable proportion and are not plainly or grossly disproportionate to the probable loss likely to be incurred by the Investor, and (iii) the parties are sophisticated business parties and have been represented by sophisticated and able legal and financial counsel and negotiated this Agreement at arm's length.

(F) CANCELLATION OF WARRANT. This Warrant shall be canceled upon the Exercise of this Warrant, and, as soon as practical after the Date of Exercise, Holder shall be entitled to receive Common Stock for the number of shares purchased upon such Exercise of this Warrant, and if this Warrant is not exercised in full, Holder shall be entitled to receive a new Warrant (containing terms identical to this Warrant) representing any unexercised portion of this Warrant in addition to such Common Stock.

(G) HOLDER OF RECORD. Each person in whose name any Warrant for shares of Common Stock is issued shall, for all purposes, be deemed to be the Holder of record of such shares on the Date of Exercise of this Warrant, irrespective of the date of delivery of the Common Stock purchased upon the Exercise of this Warrant. Nothing in this Warrant shall be construed as conferring upon Holder any rights as a stockholder of the Company.

3. PAYMENT OF WARRANT EXERCISE PRICE.

The Exercise Price per share ("Exercise Price") shall initially

equal $_____ (the "Initial Exercise Price"). If the Date of Exercise is more than six (6) months after the Date of Issuance, the Exercise Price shall be reset to equal the lesser of (i) the Exercise Price then in effect, or (ii) the "Lowest Reset Price," as that term is defined below. The Company shall calculate a "Reset Price" on each six-month anniversary date of the Date of Issuance which shall equal the lowest Closing Price of the Company's Common Stock for the five (5) trading days ending on such six-month anniversary date of the Date of Issuance. The "Lowest Reset Price" shall equal the lowest Reset Price determined on any six-month anniversary date of the Date of Issuance preceding the Date of Exercise, taking into account, as appropriate, any adjustments made pursuant to Section 5 hereof.

For purposes hereof, the term "Closing Price" shall mean the closing price on the Nasdaq Small Cap Market, the National Market System ("NMS"), the New York Stock Exchange, or the O.T.C. Bulletin Board, or if no longer traded on the Nasdaq Small Cap Market, the National Market System ("NMS"), the New York Stock Exchange, or the O.T.C. Bulletin Board, the "Closing Price" shall equal the closing price on the principal national securities exchange or the over-the-counter system on which the Common Stock is so traded and, if not available, the mean of the high and low prices on the principal national securities exchange on which the Common Stock is so traded.

Payment of the Exercise Price may be made by either of the following, or a combination thereof, at the election of Holder:

(i) CASH EXERCISE: cash, bank or cashiers check or wire transfer; or

(ii) CASHLESS EXERCISE: The Holder, at its option, may exercise this Warrant in a cashless exercise transaction. In order to effect a Cashless Exercise, the Holder shall surrender this Warrant at the principal office of the Company together with notice of cashless election, in which event the Company shall issue Holder a number of shares of Common Stock computed using the following formula:

$$X = Y\ (A-B)/A$$

where: X = the number of shares of Common Stock to be issued to Holder.

Y = the number of shares of Common Stock for which this Warrant is Being exercised.

A = the Market Price of one (1) share of Common Stock (for purposes of this Section 3(ii), the "Market Price" shall be defined as the average Closing Price of the Common Stock for the five (5) trading days prior to the Date of Exercise of this Warrant (the "Average Closing Price"), as reported by the O.T.C. Bulletin Board, National Association of Securities Dealers Automated Quotation System ("Nasdaq") Small Cap Market,

or if the Common Stock is not traded on the Nasdaq Small Cap Market, the Average Closing Price in any other over-the-counter market; provided, however, that if the Common Stock is listed on a stock exchange, the Market Price shall be the Average Closing Price on such exchange for the five (5) trading days prior to the date of exercise of the Warrants. If the Common Stock is/was not traded during the five (5) trading days prior to the Date of Exercise, then the closing price for the last publicly traded day shall be deemed to be the closing price for any and all (if applicable) days during such five (5) trading day period.

B = the Exercise Price.

For purposes of Rule 144 and sub-section (d)(3)(ii) thereof, it is intended, understood and acknowledged that the Common Stock issuable upon exercise of this Warrant in a cashless exercise transaction shall be deemed to have been acquired at the time this Warrant was issued. Moreover, it is intended, understood and acknowledged that the holding period for the Common Stock issuable upon exercise of this Warrant in a cashless exercise transaction shall be deemed to have commenced on the date this Warrant was issued.

4. TRANSFER AND REGISTRATION.

(a) TRANSFER RIGHTS. Subject to the provisions of Section 8 of this Warrant, this Warrant may be transferred on the books of the Company, in whole or in part, in person or by attorney, upon surrender of this Warrant properly completed and endorsed. This Warrant shall be canceled upon such surrender and, as soon as practicable thereafter, the person to whom such transfer is made shall be entitled to receive a new Warrant or Warrants as to the portion of this Warrant transferred, and Holder shall be entitled to receive a new Warrant as to the portion hereof retained.

(b) REGISTRABLE SECURITIES. In addition to any other registration rights of the Holder, if the Common Stock issuable upon exercise of this Warrant is not registered for resale at the time the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its Common Stock under the Act (other than a registration relating solely for the sale of securities to participants in a Company stock plan or a registration on Form S-4 promulgated under the Act or any successor or similar form registering stock issuable upon a reclassification, upon a business combination involving an exchange of securities or upon an exchange offer for securities of the issuer or another entity)(a "Piggyback Registration Statement"), the Company shall cause to be included in such Piggyback Registration Statement ("Piggyback Registration") all of the Common Stock issuable upon the exercise of this Warrant ("Registrable Securities") to the extent such inclusion does not violate the registration rights of any other securityholder of the Company granted prior to the date hereof. Nothing herein shall prevent the Company from withdrawing or abandoning

the Piggyback Registration Statement prior to its effectiveness.

(c) LIMITATION ON OBLIGATIONS TO REGISTER UNDER A PIGGYBACK REGISTRATION. In the case of a Piggyback Registration pursuant to an underwritten public offering by the Company, if the managing underwriter determines and advises in writing that the inclusion in the registration statement of all Registrable Securities proposed to be included would interfere with the successful marketing of the securities proposed to be registered by the Company, then the number of such Registrable Securities to be included in the Piggyback Registration Statement, to the extent such Registrable Securities may be included in such Piggyback Registration Statement, shall be allocated among all Holders who had requested Piggyback Registration pursuant to the terms hereof, in the proportion that the number of Registrable Securities which each such Holder seeks to register bears to the total number of Registrable Securities sought to be included by all Holders. If required by the managing underwriter of such an underwritten public offering, the Holders shall enter into a reasonable agreement limiting the number of Registrable Securities to be included in such Piggyback Registration Statement and the terms, if any, regarding the future sale of such Registrable Securities.

5. ANTI-DILUTION ADJUSTMENTS.

(a) STOCK DIVIDEND. If the Company shall at any time declare a dividend payable in shares of Common Stock, then Holder, upon Exercise of this Warrant after the record date for the determination of holders of Common Stock entitled to receive such dividend, shall be entitled to receive upon Exercise of this Warrant, in addition to the number of shares of Common Stock as to which this Warrant is exercised, such additional shares of Common Stock as such Holder would have received had this Warrant been exercised immediately prior to such record date and the Exercise Price will be proportionately adjusted.

(b) RECAPITALIZATION OR RECLASSIFICATION.

(i) STOCK SPLIT. If the Company shall at any time effect a recapitalization, reclassification or other similar transaction of such character that the shares of Common Stock shall be changed into or become exchangeable for a LARGER number of shares (a "Stock Split"), then upon the effective date thereof, the number of shares of Common Stock which Holder shall be entitled to purchase upon Exercise of this Warrant shall be increased in direct proportion to the increase in the number of shares of Common Stock by reason of such recapitalization, reclassification or similar transaction, and the Exercise Price shall be proportionally decreased.

(ii) REVERSE STOCK SPLIT. If the Company shall at any time effect a recapitalization, reclassification or other similar transaction of such character that the shares of Common Stock shall be changed into or become exchangeable for a SMALLER number of shares (a "Reverse Stock

Split"), then upon the effective date thereof, the number of shares of Common Stock which Holder shall be entitled to purchase upon Exercise of this Warrant shall be proportionately decreased and the Exercise Price shall be proportionally increased. The Company shall give Holder the same notice it provides to holders of Common Stock of any transaction described in this Section 5(b).

(c) DISTRIBUTIONS. If the Company shall at any time distribute for no consideration to holders of Common Stock cash, evidences of indebtedness or other securities or assets (other than cash dividends or distributions payable out of earned surplus or net profits for the current or preceding years) then, in any such case, Holder shall be entitled to receive, upon Exercise of this Warrant, with respect to each share of Common Stock issuable upon such exercise, the amount of cash or evidences of indebtedness or other securities or assets which Holder would have been entitled to receive with respect to each such share of Common Stock as a result of the happening of such event had this Warrant been exercised immediately prior to the record date or other date fixing shareholders to be affected by such event (the "Determination Date") or, in lieu thereof, if the Board of Directors of the Company should so determine at the time of such distribution, a reduced Exercise Price determined by multiplying the Exercise Price on the Determination Date by a fraction, the numerator of which is the result of such Exercise Price reduced by the value of such distribution applicable to one share of Common Stock (such value to be determined by the Board of Directors of the Company in its discretion) and the denominator of which is such Exercise Price.

(d) NOTICE OF CONSOLIDATION OR MERGER AND WARRANT EXCHANGE. The Company shall not, at any time after the date hereof, effect a merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock shall be changed into the same or a different number of shares of the same or another class or classes of stock or securities or other assets of the Company or another entity or there is a sale of all or substantially all the Company's assets (a "Corporate Change"), unless the resulting successor or acquiring entity (the "Resulting Entity") assumes by written instrument the Company's obligations under this Warrant, including but not limited to the Exercise Price reset provisions as provided herein during the term of the resultant warrants, and agrees in such written instrument that this Warrant shall be exerciseable into such class and type of securities or other assets of the Resulting Entity as Holder would have received had Holder exercised this Warrant immediately prior to such Corporate Change, and the Exercise Price of this Warrant shall be proportionately increased (if this Warrant shall be changed into or become exchangeable for a warrant to purchase a smaller number of shares of Common Stock of the Resulting Entity) or shall be proportionately decreased (if this Warrant shall be changed or become exchangeable for a warrant to purchase a larger number of shares of Common Stock of the Resulting Entity); provided, however, that Company may not affect any Corporate Change unless it first shall have given thirty (30) days notice

to Holder hereof of any Corporate Change.

(e) EXERCISE PRICE ADJUSTED. As used in this Warrant, the term "Exercise Price" shall mean the purchase price per share specified in Section 3 of this Warrant, until the occurrence of an event stated in subsection (a), (b), (c) or (d) of this Section 5, and thereafter shall mean said price as adjusted from time to time in accordance with the provisions of this Warrant. No such adjustment under this Section 5 shall be made unless such adjustment would change the Exercise Price at the time by $0.01 or more; provided, however, that all adjustments not so made shall be deferred and made when the aggregate thereof would change the Exercise Price at the time by $0.01 or more.

(f) ADJUSTMENTS: ADDITIONAL SHARES, SECURITIES OR ASSETS. In the event that at any time, as a result of an adjustment made pursuant to this Section 5, Holder shall, upon Exercise of this Warrant, become entitled to receive shares and/or other securities or assets (other than Common Stock) then, wherever appropriate, all references herein to shares of Common Stock shall be deemed to refer to and include such shares and/or other securities or assets; and thereafter the number of such shares and/or other securities or assets shall be subject to adjustment from time to time in a manner and upon terms as nearly equivalent as practicable to the provisions of this Section 5.

6. FRACTIONAL INTERESTS.

No fractional shares or scrip representing fractional shares shall be issuable upon the Exercise of this Warrant, but on Exercise of this Warrant, Holder may purchase only a whole number of shares of Common Stock. If, on Exercise of this Warrant, Holder would be entitled to a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon exercise shall be the next higher number of shares.

7. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance such number of authorized and unissued shares of Common Stock (or other securities substituted therefor as herein above provided) as shall be sufficient for the Exercise of this Warrant and payment of the Exercise Price. The Company covenants and agrees that upon the Exercise of this Warrant, all shares of Common Stock issuable upon such exercise shall be duly and validly issued, fully paid, nonassessable and not subject to preemptive rights, rights of first refusal or similar rights of any person or entity.

8. RESTRICTIONS ON TRANSFER.

(a) REGISTRATION OR EXEMPTION REQUIRED. This Warrant has been issued in a transaction exempt from the registration requirements of the

Act by virtue of Regulation D and exempt from state registration under applicable state laws. The Warrant and the Common Stock issuable upon the Exercise of this Warrant may not be pledged, transferred, sold or assigned except pursuant to an effective registration statement or unless the Company has received an opinion from the Company's counsel to the effect that such registration is not required, or the Holder has furnished to the Company an opinion of the Holder's counsel, which counsel shall be reasonably satisfactory to the Company, to the effect that such registration is not required; the transfer complies with any applicable state securities laws; and, if no registration covering the resale of the Warrant Shares is effective at the time the Warrant Shares are issued, the Holder consents to a legend being placed on certificates for the Warrant Shares stating that the securities have not been registered under the Securities Act and referring to such restrictions on transferability and sale.

(b) ASSIGNMENT. If Holder can provide the Company with reasonably satisfactory evidence that the conditions of (a) above regarding registration or exemption have been satisfied, Holder may sell, transfer, assign, pledge or otherwise dispose of this Warrant, in whole or in part. Holder shall deliver a written notice to Company, substantially in the form of the Assignment attached hereto as EXHIBIT B, indicating the person or persons to whom the Warrant shall be assigned and the respective number of warrants to be assigned to each assignee. The Company shall effect the assignment within ten (10) days, and shall deliver to the assignee(s) designated by Holder a Warrant or Warrants of like tenor and terms for the appropriate number of shares.

9. BENEFITS OF THIS WARRANT.

Nothing in this Warrant shall be construed to confer upon any person other than the Company and Holder any legal or equitable right, remedy or claim under this Warrant and this Warrant shall be for the sole and exclusive benefit of the Company and Holder.

10. APPLICABLE LAW; ARBITRATION.

This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia applicable to agreements made in and wholly to be performed in that jurisdiction, except for matters arising under the Act or the Securities Exchange Act of 1934, which matters shall be construed and interpreted in accordance with such laws. Any controversy or claim arising out of or related to this Warrant or the breach thereof, shall be settled by binding arbitration in Atlanta, Georgia in accordance with the Expedited Procedures (Rules 53-57) of the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). A proceeding shall be commenced upon written demand by Company or any Investor to the other. The arbitrator(s) shall enter a judgment by default against any party, which fails or refuses to appear in any properly noticed arbitration proceeding. The proceeding shall be conducted by one (1) arbitrator, unless the amount alleged to be in

dispute exceeds two hundred fifty thousand dollars ($250,000), in which case three (3) arbitrators shall preside. The arbitrator(s) will be chosen by the parties from a list provided by the AAA, and if they are unable to agree within ten (10) days, the AAA shall select the arbitrator(s). The arbitrators must be experts in securities law and financial transactions. The arbitrators shall assess costs and expenses of the arbitration, including all attorneys' and experts' fees, as the arbitrators believe is appropriate in light of the merits of the parties' respective positions in the issues in dispute. Each party submits irrevocably to the jurisdiction of any state court sitting in Atlanta, Georgia or to the United States District Court sitting in Georgia for purposes of enforcement of any discovery order, judgment or award in connection with such arbitration. The award of the arbitrator(s) shall be final and binding upon the parties and may be enforced in any court having jurisdiction. The arbitration shall be held in such place as set by the arbitrator(s) in accordance with Rule 55.

Although the parties, as expressed above, agree that all claims, including claims that are equitable in nature, for example specific performance, shall initially be prosecuted in the binding arbitration procedure outlined above, if the arbitration panel dismisses or otherwise fails to entertain any or all of the equitable claims asserted by reason of the fact that it lacks jurisdiction, power and/or authority to consider such claims and/or direct the remedy requested, then, in only that event, will the parties have the right to initiate litigation respecting such equitable claims or remedies. The forum for such equitable relief shall be in either a state or federal court sitting in Atlanta, Georgia. Each party waives any right to a trial by jury, assuming such right exists in an equitable proceeding, and irrevocably submits to the jurisdiction of said Georgia court.

11. LOSS OF WARRANT.

Upon receipt by the Company of evidence of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Company, and upon surrender and cancellation of this Warrant, if mutilated, the Company shall execute and deliver a new Warrant of like tenor and date.

12. NOTICE OR DEMANDS.

Notices or demands pursuant to this Warrant to be given or made by Holder to or on the Company shall be sufficiently given or made if sent by certified or registered mail, return receipt requested, postage prepaid, and addressed, until another address is designated in writing by the Company, to the address set forth in Section 2(a) above. Notices or demands pursuant to this Warrant to be given or made by the Company to or on Holder shall be

sufficiently given or made if sent by certified or registered mail, return receipt requested, postage prepaid, and addressed, to the address of Holder set forth in the Company's records, until another address is designated in writing by Holder.

IN WITNESS WHEREOF, the undersigned has executed this Warrant as of the ____ day of _____, 200__.

PROVIDENCE CAPITAL IX, INC.

By: _____
Richard Nadeau, Jr., President

EXHIBIT A

EXERCISE FORM FOR WARRANT

TO: PROVIDENCE CAPITAL IX, INC.

The undersigned hereby irrevocably exercises the right to purchase _____ of the shares of Common Stock (the "Common Stock") of Providence Capital IX, Inc. a Colorado corporation (the "Company"), evidenced by the attached warrant (the "Warrant"), and herewith makes payment of the exercise price with respect to such shares in full, all in accordance with the conditions and provisions of said Warrant.

1. The undersigned agrees not to offer, sell, transfer or otherwise dispose of any of the Common Stock obtained on exercise of the Warrant, except in accordance with the provisions of Section 8(a) of the Warrant.

2. The undersigned requests that stock certificates for such shares be issued free of any restrictive legend, if appropriate, and a warrant representing any unexercised portion hereof be issued, pursuant to the Warrant in the name of the undersigned and delivered to the undersigned at the address set forth below:

Dated: _____

_____
Signature

_____

Print Name

_____
Address

_____

NOTICE

The signature to the foregoing Exercise Form must correspond to the name as written upon the face of the attached Warrant in every particular, without alteration or enlargement or any change whatsoever.

_____

EXHIBIT B

ASSIGNMENT

(To be executed by the registered holder
desiring to transfer the Warrant)

FOR VALUE RECEIVED, the undersigned holder of the attached warrant (the "Warrant") hereby sells, assigns and transfers unto the person or persons below named the right to purchase _____ shares of the Common Stock of Providence Capital IX, Inc., evidenced by the attached Warrant and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Warrant on the books of the Company, with full power of substitution in the premises.

Dated:

_____
Signature

Fill in for new registration of Warrant:

_____
Name

_____
Address

_____
Please print name and address of assignee
(including zip code number)

_____

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the attached Warrant in every particular, without alteration or enlargement or any change whatsoever.

_____

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is entered into as of March 29, 2001, by and among Providence Capital IX, Inc., a corporation duly incorporated and existing under the laws of the State of Colorado (the "Company"), and the investor as named on the signature page hereto (hereinafter referred to as "Investor").

RECITALS:

WHEREAS, pursuant to the Company's offering ("Offering") of up to Ten Million (10,000,000) shares of Common Stock Common Stock of the Company, plus shares of Common Stock issuable upon exercise of the Warrants (as defined below), each pursuant to that certain Investment Agreement of even date herewith (the "Investment Agreement") between the Company and the Investor, the Company has agreed to sell and the Investor has agreed to purchase, from time to time as provided in the Investment Agreement, shares of the Company's Common Stock for a maximum aggregate offering amount as described above;

WHEREAS, pursuant to the terms of the Investment Agreement, the Company has agreed to issue to the Investor the Commitment Warrants and, in certain events, Additional Warrants (as defined in the Warrant Antidilution Agreement between the Company and the Investor) to purchase a number of shares of Common Stock, exercisable for five (5) years from their respective dates of issuance (collectively, the "Warrants"); and

WHEREAS, pursuant to the terms of the Investment Agreement, the Company has agreed to provide the Investor with certain registration rights with respect to the Common Stock to be issued in the Offering and the Common Stock issuable upon exercise of the Warrants as set forth in this Agreement.

TERMS:

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. CERTAIN DEFINITIONS. As used in this Agreement (including the Recitals above), the following terms shall have the following meanings (such meanings to be equally applicable to both singular and plural forms of the terms defined):

"Additional Registration Statement" shall have the meaning set forth in Section 3(b).

"Additional Warrants" shall have the meaning ascribed to it the Warrant Antidilution Agreement between the Company and the Investor.

"Additional Warrant Shares" shall mean shares of Common Stock issuable upon exercise of any Additional Warrant.

"Amended Registration Statement" shall have the meaning set forth in Section 3(b).

"Business Day" shall have the meaning set forth in the Investment Agreement.

"Closing Bid Price" shall have the meaning set forth in the Investment Agreement.

"Commitment Warrant" shall have the meaning as set forth in the Investment Agreement.

"Common Stock" shall mean the common stock, par value $0.01, of the Company.

"Due Date" shall mean the date that is one hundred twenty (120) days after the date of this Agreement.

"Effective Date" shall have the meaning set forth in Section 2.3.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Filing Deadline" shall mean the date that is forty-five (45) days after the date of a Merger (as defined in the Investment Agreement) that is approved by Swartz Private Equity, LLC.

"Ineffective Period" shall mean any period of time after the Effective Date during the term hereof that the Registration Statement or any Supplemental Registration Statement (each as defined herein) becomes ineffective or unavailable for use for the sale or resale, as applicable, of any or all of the Registrable Securities (as defined herein) for any reason (or in the event the prospectus under either of the above is not current and deliverable).

"Investment Agreement" shall have the meaning set forth in the Recitals hereto.

"Investor" shall have the meaning set forth in the preamble to this Agreement.

"Holder" shall mean Investor, and any other person or entity

owning or having the right to acquire Registrable Securities or any permitted assignee.

"Piggyback Registration" and "Piggyback Registration Statement" shall have the meaning set forth in Section 4.

"Put" shall have the meaning as set forth in the Investment Agreement.

"Register," "Registered," and "Registration" shall mean and refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act and pursuant to Rule 415 under the Securities Act or any successor rule, and the declaration or ordering of effectiveness of such registration statement or document.

"Registrable Securities" shall have the meaning set forth in Section 2.1.

"Registration Statement" shall have the meaning set forth in Section 2.2.

"Rule 144" shall mean Rule 144, as amended, promulgated under the Securities Act.

"Securities Act" shall mean the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Supplemental Registration Statement" shall have the meaning set forth in Section 3(b).

"Warrants" shall have the meaning set forth in the above Recitals.

"Warrant Shares" shall mean shares of Common Stock issuable upon exercise of any Warrant.

2. REQUIRED REGISTRATION.

2.1 REGISTRABLE SECURITIES. "Registrable Securities" shall mean those shares of the Common Stock of the Company together with any capital stock issued in replacement of, in exchange for or otherwise in respect of such Common Stock, that are: (i) issuable or issued to the Investor pursuant to the Investment Agreement, or (ii) issuable or issued upon exercise of the Commitment Warrants; provided, however, that notwithstanding the above, the following shall not be considered Registrable Securities:

(a) any Common Stock which would otherwise be deemed to be Registrable Securities, if and to the extent that those shares of Common Stock may be resold in a public transaction without volume limitations or

other material restrictions without registration under the Securities Act, including without limitation, pursuant to Rule 144 under the Securities Act; and

(b) any shares of Common Stock which have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned.

2.2 FILING OF INITIAL REGISTRATION STATEMENT. The Company shall, by the Filing Deadline, file a registration statement ("Registration Statement") on Form SB-2 (or other suitable form, at the Company's discretion, but subject to the reasonable approval of Investor), covering the resale of a number of shares of Common Stock as Registrable Securities equal to at least Twelve Million (12,000,000) shares of Common Stock and shall cover, to the extent allowed by applicable law, such indeterminate number of additional shares of Common Stock that may be issued or become issuable as Registrable Securities by the Company pursuant to Rule 416 of the Securities Act. In the event that the Company has not filed the Registration Statement by the Filing Deadline, then the Company shall pay to Investor an amount equal to $500, in cash, for each Business Day after the Filing Deadline until such Registration Statement is filed, payable within ten (10) Business Days following the end of each calendar month in which such payments accrue.

2.3 Response to SEC Comments; REGISTRATION EFFECTIVE DATE. The Company shall use its best efforts to have the Registration Statement declared effective by the SEC (the date of such effectiveness is referred to herein as the "Effective Date") by the Due Date. In the event that the SEC has comments to the Registration Statement, the Company shall file a written response to any such comments within thirty (30) days of the Company's receipt of such comments (the "Comment Response Deadline"). In the event that the Company has not filed a written response to any such SEC comments by the applicable Comment Response Deadline, then the Company shall pay to Investor an amount equal to $500, in cash, for each Business Day after the Comment Response Deadline until such responses are provided to the SEC in writing, payable within ten (10) Business Days following the end of each calendar month in which such payments accrue.

2.4 SHELF REGISTRATION. The Registration Statement shall be prepared as a "shelf" registration statement under Rule 415, and shall be maintained effective until all Registrable Securities are resold pursuant to the Registration Statement.

2.5 SUPPLEMENTAL REGISTRATION STATEMENT. Anytime the Registration Statement does not cover a sufficient number of shares of Common Stock to cover all outstanding Registrable Securities, the Company shall promptly prepare and file with the SEC such Supplemental Registration Statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all such Registrable Securities and shall use its best efforts to cause such Supplemental

Registration Statement to be declared effective as soon as possible.

2.6 DEMAND REGISTRATION FOR ADDITIONAL WARRANT SHARES. Anytime that the Company has issued to the Investor Additional Warrants representing in excess of a number of Additional Warrant Shares equal to 20% of the number of shares in the Commitment Warrant immediately following a Merger approved by Swartz Private Equity, LLC which have not yet been registered for resale, the Company shall promptly file a registration statement (the "Additional Warrant Registration Statement") on any suitable form, covering the resale of all then unregistered Additional Warrant Shares and, to the extent allowed by applicable law, such indeterminate number of additional shares of Common Stock that may be issued or become issuable as Registrable Securities by the Company pursuant to Rule 416 of the Securities Act.

3. OBLIGATIONS OF THE COMPANY. Whenever required under this Agreement to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the Securities and Exchange Commission ("SEC") a Registration Statement with respect to such Registrable Securities and use its best efforts to cause such Registration Statement to become effective and to remain effective until the earlier of (i) the date that all Registrable Securities are resold pursuant to such Registration Statement, or (ii) the date that is one (1) year after the Termination Date (as defined in the Investment Agreement).

(b) Prepare and file with the SEC such amendments and supplements to such Registration Statement and the prospectus used in connection with such Registration Statement ("Amended Registration Statement") or prepare and file any additional registration statement ("Additional Registration Statement," together with the Amended Registration Statement, "Supplemental Registration Statements") as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Supplemental Registration Statements or such prior registration statement and to cover the resale of all Registrable Securities.

(c) Furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus (if applicable), in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its best efforts to register and qualify the securities covered by such Registration Statement under such other securities or Blue Sky laws of the jurisdictions in which the Holders are located, or such other jurisdictions as shall be reasonably requested by the Holders of the Registrable Securities covered by such Registration Statement and of all other jurisdictions where legally required, provided that the Company shall not be required in connection therewith or as a condition thereto to

qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) [Intentionally Left Blank].

(f) As promptly as practicable after becoming aware of such event, notify each Holder of Registrable Securities of the happening of any event of which the Company has knowledge, as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, use its best efforts promptly to prepare a supplement or amendment to the Registration Statement to correct such untrue statement or omission, and deliver a number of copies of such supplement or amendment to each Holder as such Holder may reasonably request.

(g) Provide Holders with notice of the date that a Registration Statement or any Supplemental Registration Statement registering the resale of the Registrable Securities is declared effective by the SEC, and the date or dates when the Registration Statement is no longer effective.

(h) Provide Holders and their representatives the opportunity and a reasonable amount of time, based upon reasonable notice delivered by the Company, to conduct a reasonable due diligence inquiry of Company's pertinent financial and other records and make available its officers and directors for questions regarding such information as it relates to information contained in the Registration Statement.

(i) Provide Holders and their representatives the opportunity to review the Registration Statement and all amendments or supplements thereto prior to their filing with the SEC by giving the Holder at least five (5) business days advance written notice prior to such filing.

(j) Provide each Holder with prompt notice of the issuance by the SEC or any state securities commission or agency of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceeding for such purpose. The Company shall use its best efforts to prevent the issuance of any stop order and, if any is issued, to obtain the removal thereof at the earliest possible date.

(k) Use its best efforts to list the Registrable Securities covered by the Registration Statement with all securities exchanges or markets on which the Common Stock is then listed and prepare and file any required filing with the NASD, American Stock Exchange, NYSE and any other exchange or market on which the Common Stock is listed.

4. INEFFECTIVE PERIOD.

(a) INEFFECTIVE PERIOD PAYMENT. Within five (5) Business Days after the last day of any Ineffective Period, the Company will pay to the

Investor in cash ("Ineffective Period Payments"), as liquidated damages for such suspension and not as a penalty, an amount equal to the number of shares of Common Stock issued to the Investor in any Put with a Pricing Period End Date (as defined in the Investment Agreement) that is thirty (30) business days or less prior to the date that the Ineffective Period commences, multiplied by the difference of:

(i) the highest closing price of the Company's Common Stock for any trading day during the Ineffective Period,

minus

(ii) the lowest closing price of the Company's Common Stock for the five (5) trading days including and immediately following the last trading day of such Ineffective Period.

(b) LIQUIDATED DAMAGES. The parties hereto acknowledge and agree that the sums payable as Ineffective Period Payments shall give rise to liquidated damages and not penalties. The parties further acknowledge that (i) the amount of loss or damages likely to be incurred by the Holder is incapable or is difficult to precisely estimate, (ii) the amounts specified bear a reasonable proportion and are not plainly or grossly disproportionate to the probable loss likely to be incurred by the Investor, and (iii) the parties are sophisticated business parties and have been represented by sophisticated and able legal and financial counsel and negotiated this Agreement at arm's length.

5. PIGGYBACK REGISTRATION. If anytime prior to the date that the Registration Statement is declared effective or during any Ineffective Period (as defined in the Investment Agreement) the Company proposes to register (including for this purpose a registration effected by the Company for shareholders other than the Holders) any of its Common Stock under the Securities Act in connection with the public offering of such securities solely for cash (other than a registration relating solely for the sale of securities to participants in a Company stock plan or a registration on Form S-4 promulgated under the Securities Act or any successor or similar form registering stock issuable upon a reclassification, upon a business combination involving an exchange of securities or upon an exchange offer for securities of the issuer or another entity), the Company shall, at such time, promptly give each Holder written notice of such registration (a "Piggyback Registration Statement"). Upon the written request of each Holder given by fax within ten (10) days after mailing of such notice by the Company, the Company shall cause to be included in such registration statement under the Securities Act all of the Registrable Securities that each such Holder has requested to be registered ("Piggyback Registration") and all of the Additional Warrant Shares that are then unregistered, in each case to the extent such inclusion does not violate the registration rights of any other security holder of the company granted prior to the date hereof; provided, however, that nothing herein shall prevent the Company from withdrawing or abandoning such registration statement prior to its effectiveness.

6. LIMITATION ON OBLIGATIONS TO REGISTER UNDER A PIGGYBACK REGISTRATION. In the case of a Piggyback Registration pursuant to an underwritten public offering by the Company, if the managing underwriter determines and advises in writing that the inclusion in the related Piggyback Registration Statement of all Registrable Securities proposed to be included would interfere with the successful marketing of the securities proposed to be registered by the Company, then the number of such Registrable Securities to be included in such Piggyback Registration Statement, to the extent any such Registrable Securities may be included in such Piggyback Registration Statement, shall be allocated among all Holders who had requested Piggyback Registration pursuant to the terms hereof, in the proportion that the number of Registrable Securities which each such Holder seeks to register bears to the total number of Registrable Securities sought to be included by all Holders. If required by the managing underwriter of such an underwritten public offering, the Holders shall enter into an agreement limiting the number of Registrable Securities to be included in such Piggyback Registration Statement and the terms, if any, regarding the future sale of such Registrable Securities.

7. DISPUTE AS TO REGISTRABLE SECURITIES. In the event the Company believes that shares sought to be registered under Section 2 or Section 5 by Holders do not constitute "Registrable Securities" by virtue of Section 2.1 of this Agreement, and the status of those shares as Registrable Securities is disputed, the Company shall provide, at its expense, an Opinion of Counsel, reasonably acceptable to the Holders of the Securities at issue (and satisfactory to the Company's transfer agent to permit the sale and transfer), that those securities may be sold immediately, without volume limitation or other material restrictions, without registration under the Securities Act, by virtue of Rule 144 or similar provisions.

8. FURNISH INFORMATION. At the Company's request, each Holder shall furnish to the Company such information regarding Holder, the Registrable Securities held by it, and the intended method of disposition of such securities to the extent required to effect the registration of its Registrable Securities or to determine that registration is not required pursuant to Rule 144 or other applicable provision of the Securities Act. The Company shall include all information provided by such Holder pursuant hereto in the Registration Statement, substantially in the form supplied, except to the extent such information is not permitted by law.

9. EXPENSES. All expenses, other than commissions and fees and expenses of counsel to the selling Holders, incurred in connection with registrations, filings or qualifications pursuant hereto, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company, shall be borne by the Company.

10. INDEMNIFICATION. In the event any Registrable Securities are included in a Registration Statement under this Agreement:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the officers, directors, partners, legal counsel, and accountants of each Holder, any underwriter (as defined in the Securities Act, or as deemed by the Securities Exchange Commission, or as indicated in a registration statement) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of Section 15 of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements or omissions: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, and the Company will reimburse each such Holder, officer or director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability, or action to the extent that it arises out of or is based upon a violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, officer, director, underwriter or controlling person; provided however, that the above shall not relieve the Company from any other liabilities which it might otherwise have.

(b) Promptly after receipt by an indemnified party under this Section 10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume, the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the reasonably incurred fees and expenses of one such counsel to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflicting interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such

indemnifying party of any liability to the indemnified party under this Section 10, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 10.

(c) To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which it would be required to make if such foregoing undertaking was enforceable which is permissible under applicable law.

(d) The obligations of the Company and Holders under this Section 10 shall survive the resale, if any, of the Common Stock, the completion of any offering of Registrable Securities in a Registration Statement under this Agreement, and otherwise.

11. REPORTS UNDER EXCHANGE ACT. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144; and

(b) use its best efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act.

12. AMENDMENTS TO REGISTRATION RIGHTS. Any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the written consent of each Holder affected thereby. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder, each future Holder, and the Company. The Company will provide the Investor five (5) business days notice prior to filing any amendment to the Registration Statement or any amendment or supplement to the Prospectus and shall give the Investor the opportunity to review and comment on any such amendment or supplement. Failure of the Investor to comment within five (5) business days shall not preclude the Company from filing such amendment or supplement after such notice period has expired.

13. NOTICES. All notices required or permitted under this Agreement shall be made in writing signed by the party making the same, shall specify the section under this Agreement pursuant to which it is given, and shall be addressed if to (i) the Company at: Providence Capital IX, Inc., 1250 Turks Head Building, Providence, RI 02903; Telephone: (401) 272-5800, Facsimile: (401) 272-5858 (or at such other location as directed by the Company in writing) and (ii) the Holders at their respective last address as the party as shown on the records of the Company. Any notice, except as

otherwise provided in this Agreement, shall be made by fax and shall be deemed given at the time of transmission of the fax.

14. TERMINATION. This Agreement shall terminate on the date all Registrable Securities cease to exist (as that term is defined in Section 2.1 hereof); but without prejudice to (i) the parties' rights and obligations arising from breaches of this Agreement occurring prior to such termination (ii) other indemnification obligations under this Agreement.

15. ASSIGNMENT. No assignment, transfer or delegation, whether by operation of law or otherwise, of any rights or obligations under this Agreement by the Company or any Holder, respectively, shall be made without the prior written consent of the majority in interest of the Holders or the Company, respectively; provided that the rights of a Holder may be transferred to a subsequent holder of the Holder's Registrable Securities (provided such transferee shall provide to the Company, together with or prior to such transferee's request to have such Registrable Securities included in a Registration, a writing executed by such transferee agreeing to be bound as a Holder by the terms of this Agreement), and the Company hereby agrees to file an amended registration statement including such transferee as a selling security holder thereunder; and provided further that the Company may transfer its rights and obligations under this Agreement to a purchaser of all or a substantial portion of its business if the obligations of the Company under this Agreement are assumed in connection with such transfer, either by merger or other operation of law (which may include without limitation a transaction whereby the Registrable Securities are converted into securities of the successor in interest) or by specific assumption executed by the transferee.

16. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia applicable to agreements made in and wholly to be performed in that jurisdiction, except for matters arising under the Securities Act or the Exchange Act, which matters shall be construed and interpreted in accordance with such laws. Any dispute arising out of or relating to this Agreement or the breach, termination or validity hereof shall be finally settled by the federal or state courts located in FULTON COUNTY, GEORGIA.

17. EXECUTION IN COUNTERPARTS PERMITTED. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one (1) instrument.

18. SPECIFIC PERFORMANCE. The Holder shall be entitled to the remedy of specific performance in the event of the Company's breach of this Agreement, the parties agreeing that a remedy at law would be inadequate.

19. INDEMNITY. Each party shall indemnify each other party against any and all claims, damages (including reasonable attorney's fees), and expenses arising out of the first party's breach of any of the terms of this Agreement.

20. ENTIRE AGREEMENT; WRITTEN AMENDMENTS REQUIRED. This Agreement, including the Exhibits attached hereto, the Investment Agreement, the Common Stock certificates, and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth herein or therein. Except as expressly provided herein,

[INTENTIONALLY LEFT BLANK]

neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of this 29th day of MARCH, 2001.

PROVIDENCE CAPITAL IX, INC.

By:
Richard Nadeau, Jr., President

Address: 1250 Turks Head Building
Providence, RI 02903
Telephone: (401) 272-5800
Facsimile: (401) 272-5858

INVESTOR:
SWARTZ PRIVATE EQUITY, LLC.

By: _____
Eric S. Swartz, Manager

Address: 300 Colonial Center Parkway
Suite 300
Roswell, GA 30076
Telephone: (770) 640-8130
Facsimile: (770) 640-7150

WARRANT ANTIDILUTION AGREEMENT

THIS WARRANT ANTIDILUTION AGREEMENT (the "Agreement") is entered into as of April 17, 2001, by and among Providence Capital IX, Inc., a corporation duly organized and existing under the laws of the State of Colorado (the "Company") and Swartz Private Equity, LLC (hereinafter referred to as "Swartz").

RECITALS:

WHEREAS, pursuant to the Company's offering ("Equity Line") of up to Ten Million (10,000,000) shares of Common Stock of the Company, excluding shares issued paid upon exercise of the Warrants, of Common Stock of the Company pursuant to that certain Investment Agreement (the "Investment Agreement") between the Company and Swartz dated on or about April 17, 2001, the Company has agreed to sell and Swartz has agreed to purchase, from time to time as provided in the Investment Agreement, shares of the Company's Common Stock ; and

WHEREAS, pursuant to the terms of the Investment Agreement, the Company has agreed, among other things, to issue to Swartz Commitment Warrants, as defined in the Investment Agreement, to purchase a number of shares of Common Stock, exercisable for five (5) years from their respective dates of issuance.

TERMS:

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth in Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. ISSUANCE OF COMMITMENT WARRANTS. As compensation for entering into the Equity Line, Swartz received a warrant convertible into shares of the Company's Common Stock, in the form attached hereto as EXHIBIT A (the "Commitment Warrants").

2. ISSUANCE OF ADDITIONAL WARRANTS. On each six month anniversary of the date of issuance of the Commitment Warrants (each, a "Six Month Anniversary Date"), the Company shall issue to the Investor additional warrants (the "Additional Warrants"), to purchase a number of shares of Common Stock, if necessary, such that the sum of the number of Commitment Warrants and the number of Additional Warrants issued to Investor shall equal at least "Y%" of the number of fully diluted shares of Common Stock of the Company on such Six Month Anniversary Date, where "Y" shall equal 7% for the first Six Month Anniversary Date, and shall be reduced by 0.5% for each Six Month Anniversary Date beginning on and following the second Six Month

Anniversary Date. The Additional Warrants shall be in the form of EXHIBIT A hereto, and shall initially be exerciseable at the same price as the Commitment Warrants (as most recently reset), shall have the same reset provisions as the Commitment Warrants (which resets shall occur on each six month anniversary of the date of issuance of the applicable Additional Warrant throughout the term of the applicable Additional Warrant), shall have piggyback registration rights and shall have a 5-year term.

3. OPINION OF COUNSEL. Concurrently with the issuance and delivery of the Commitment Opinion (as defined in the Investment Agreement) to the Investor, or on the date that is six (6) months after the date of this Agreement, whichever is sooner, the Company shall deliver to the Investor an Opinion of Counsel (signed by the Company's independent counsel) covering the issuance of the Commitment Warrants and the Additional Warrants, and the issuance and resale of the Common Stock issuable upon exercise of the Warrants and the Additional Warrants.

4. CHANGE IN CORPORATE ENTITY. The Company shall not, at any time after the date hereof, enter into any merger, consolidation or corporate reorganization of the Company with or into, or transfer all or substantially all of the assets of the Company to, another entity unless the resulting successor or acquiring entity in such transaction, if not the Company (the "Surviving Entity"), (i) has Common Stock listed for trading on Nasdaq or on another national stock exchange and is a Reporting Issuer, (ii) assumes by written instrument the Company's obligations with respect to this Warrant Antidilution Agreement and the Additional Warrants, including but not limited to the obligations to deliver to the Investor shares of Common Stock and/or securities that Investor is entitled to receive pursuant to this Investment Agreement and upon exercise of the Additional Warrants and agrees by written instrument to reissue, in the name of the Surviving Entity, any Additional Warrants (each in the same terms, including but not limited to the same reset provisions, as the Commitment Warrants originally issued or required to be issued by the Company) that are outstanding immediately prior to such transaction, making appropriate proportional adjustments to the number of shares represented by such Warrants and the exercise prices of such Warrants to accurately reflect the exchange represented by the transaction.

5. ARBITRATION; GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia applicable to agreements made in and wholly to be performed in that jurisdiction, except for matters arising under the Act or the Securities Exchange Act of 1934, which matters shall be construed and interpreted in accordance with such laws. Any controversy or claim arising out of or related to the Transaction Documents or the breach thereof, shall be settled by binding arbitration in Atlanta, Georgia in accordance with the Expedited Procedures (Rules 53-57) of the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). A proceeding shall be commenced upon written demand by Company or any Investor to the other. The arbitrator(s) shall enter a judgment by default against any party, which fails or refuses to appear in any properly noticed arbitration proceeding. The proceeding

shall be conducted by one (1) arbitrator, unless the amount alleged to be in dispute exceeds two hundred fifty thousand dollars ($250,000), in which case three (3) arbitrators shall preside. The arbitrator(s) will be chosen by the parties from a list provided by the AAA, and if they are unable to agree within ten (10) days, the AAA shall select the arbitrator(s). The arbitrators must be experts in securities law and financial transactions. The arbitrators shall assess costs and expenses of the arbitration, including all attorneys' and experts' fees, as the arbitrators believe is appropriate in light of the merits of the parties' respective positions in the issues in dispute. Each party submits irrevocably to the jurisdiction of any state court sitting in Atlanta, Georgia or to the United States District Court sitting in Georgia for purposes of enforcement of any discovery order, judgment or award in connection with such arbitration. The award of the arbitrator(s) shall be final and binding upon the parties and may be enforced in any court having jurisdiction. The arbitration shall be held in such place as set by the arbitrator(s) in accordance with Rule 55.

Although the parties, as expressed above, agree that all claims, including claims that are equitable in nature, for example specific performance, shall initially be prosecuted in the binding arbitration procedure outlined above, if the arbitration panel dismisses or otherwise fails to entertain any or all of the equitable claims asserted by reason of the fact that it lacks jurisdiction, power and/or authority to consider such claims and/or direct the remedy requested, then, in only that event, will the parties have the right to initiate litigation respecting such equitable claims or remedies. The forum for such equitable relief shall be in either a state or federal court sitting in Atlanta, Georgia. Each party waives any right to a trial by jury, assuming such right exists in an equitable proceeding, and irrevocably submits to the jurisdiction of said Georgia court. Georgia law shall govern both the proceeding as well as the interpretation and construction of this Agreement and the transaction as a whole.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of this 17th day of April, 2001.

PROVIDENCE CAPITAL IX, INC.	SUBSCRIBER: SWARTZ PRIVATE EQUITY, LLC.
By: _____ Richard Nadeau, Jr., President	By: _____ Eric S. Swartz, Manager
1250 Turks Head Building Providence, RI 02903 Telephone: (401) 272-5800 Facsimile: (401) 272-5858	300 Colonial Center Parkway Suite 300 Roswell, GA 30076 Telephone: (770) 640-8130 Facsimile: (770) 640-7150

ACKNOWLEDGEMENT AND AGREEMENT

With respect to the Investment Agreement entered into as of April 17, 2001, by and among Providence Capital IX, Inc., a corporation duly incorporated and existing under the laws of the State of Colorado (the "Company") and Swartz Private Equity, LLC (hereinafter referred to as "Swartz"), the Company hereby agrees and acknowledges the following:

The Company acknowledges that the Investor may sell the Put Shares any time, and from time to time, after the Put Date for such shares, and that such sales may occur during a Pricing Period or Pricing Periods and may have the effect of reducing the Purchase Price.

Furthermore, the Company agrees to present the proposed final registration statement to be filed pursuant to the terms of the Registration Rights Agreement entered into in conjunction with the Investment Agreement to Swartz for its review at least five (5) business days prior to the proposed filing date, and to obtain Swartz's final comments to the registration statement before filing it with the SEC.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of this 17th day of April, 2001.

PROVIDENCE CAPITAL IX, INC.

By: _____

Richard Nadeau, Jr.
1250 Turks Head Building
Providence, RI 02903
Telephone: (401) 272-5800
Facsimile: (401) 272-5858

INVESTOR: SWARTZ PRIVATE EQUITY, LLC.

By: _____

Eric S. Swartz, Manager
300 Colonial Center Parkway
Suite 300
Roswell, GA 30076
Telephone: (770) 640-8130
Facsimile: (770) 640-7150