FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **2004-05-18**
SEC Accession No. 0001193125-04-090648

SUBJECT COMPANY

DALEEN TECHNOLOGIES INC

CIK:**1002658**| IRS No.: **650944514** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-57783** | Film No.: **04815208**
SIC: **7372** Prepackaged software

Mailing Address
902 CLINT MOORE RD
SUITE 230
BOCA RATON FL 33487

Business Address
902 CLINT MOORE RD
SUITE 230
BOCA RATON FL 33487
5619998003

FILED BY

BEHRMAN CAPITAL II LP

CIK:**1100704**| IRS No.: **133952825** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **SC 13D/A**

Mailing Address
126 EAST 56TH STREET
NEW YORK NY 10022

Business Address
126 EAST 56TH STREET
NEW YORK NY 10022
2129806500

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT
TO RULE 13d-2(a)

(Amendment No. 2)*

Daleen Technologies, Inc.

(Name of Issuer)

Common Stock, par value $.01 per share

(Title of Class of Securities)

23427N 10-4

(CUSIP Number)

Behrman Capital II, L.P.
Attn: Grant G. Behrman
126 East 56th Street, 27th Floor
New York, New York 10022
(212) 980-6500

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

May 7, 2004

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [_].

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

(Continued on the following pages)

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*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

CUSIP No. 23427N 10-4	13D	Page 2 of 10 Pages

1. Names of Reporting Persons
   I.R.S. Identification Nos. of above persons (entities only)

   Behrman Capital II, L.P. 13-3952825

2. Check the Appropriate Box if a Member of a Group (a) [_] (b) [_]

3. SEC Use Only

4. Source of Funds

   OO

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [_]

6. Citizenship or Place of Organization

   Delaware

NUMBER OF SHARES	7. Sole Voting Power

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	-0-	
	8. Shared Voting Power	
	59,652,646	
	9. Sole Dispositive Power	
	-0-	
	10. Shared Dispositive Power	
	59,652,646	

11. Aggregate Amount Beneficially Owned by Each Reporting Person

59,652,646

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares [_]

13. Percent of Class Represented by Amount in Row (11)

70.0%

14. Type of Reporting Person

PN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

Strategic Entrepreneur Fund II, L.P.
13-3959212

2. Check the Appropriate Box if a Member of a Group (See Instructions) (a) [_] (b) [_]

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [_]

6. Citizenship or Place of Organization

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	
	7. Sole Voting Power -0-
	8. Shared Voting Power 808,939
	9. Sole Dispositive Power -0-
	10. Shared Dispositive Power 808,939

11. Aggregate Amount Beneficially Owned by Each Reporting Person

808,939

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) [_]

13. Percent of Class Represented by Amount in Row (11)

1.7%

14. Type of Reporting Person (See Instructions)

PN

1. Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)

Behrman Brothers, L.L.C.
13-3952711

---

2. Check the Appropriate Box if a Member of a Group (a) [_]
(b) [_]

---

3. SEC Use Only

---

4. Source of Funds

OO

---

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [_]

---

6. Citizenship or Place of Organization

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. Sole Voting Power	-0-
	8. Shared Voting Power	59,652,646
	9. Sole Dispositive Power	-0-
	10. Shared Dispositive Power	59,652,646

---

11. Aggregate Amount Beneficially Owned by Each Reporting Person

59,652,646

---

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares [_]

---

13. Percent of Class Represented by Amount in Row (11)

70.0%

14. Type of Reporting Person	
OO	

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1. Names of Reporting Persons I.R.S. Identification Nos. of above persons (entities only)	
Grant G. Behrman	
2. Check the Appropriate Box if a Member of a Group	(a) [_] (b) [_]
3. SEC Use Only	
4. Source of Funds (See Instructions)	
OO	
5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [_]	
6. Citizenship or Place of Organization	
United States	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. Sole Voting Power	-0-
	8. Shared Voting Power	60,461,585
	9. Sole Dispositive Power	-0-
	10. Shared Dispositive Power	60,461,585

11. Aggregate Amount Beneficially Owned by Each Reporting Person

60,461,585

---

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares [_]

---

13. Percent of Class Represented by Amount in Row (11)

70.5%

---

14. Type of Reporting Person

IN

---

1. Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)

William M. Matthes

---

2. Check the Appropriate Box if a Member of a Group (a) [_] (b) [_]

---

3. SEC Use Only

---

4. Source of Funds

OO

---

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) [_]

---

6. Citizenship or Place of Organization

United States

NUMBER OF 7. Sole Voting Power

SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	-0-	
	8. Shared Voting Power	
	59,652,646	
	9. Sole Dispositive Power	
	-0-	
	10. Shared Dispositive Power	
	59,652,646	

11. Aggregate Amount Beneficially Owned by Each Reporting Person

59,652,646

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares [_]

13. Percent of Class Represented by Amount in Row (11)

70.0%

14. Type of Reporting Person

IN

This Amendment No. 2 amends and supplements the report on Schedule 13D originally filed with the Securities and Exchange Commission (the "SEC") on October 17, 2002 (together with Amendment No. 1 filed on December 20, 2002, the "Original 13D") by Behrman Capital II, L.P. ("Behrman Capital"), Strategic Entrepreneur Fund II, L.P. ("SEF"), Behrman Brothers L.L.C. ("Behrman Brothers"), Grant G. Behrman and William M. Matthes (each a "Reporting Person" and, collectively, the "Reporting Persons") with respect to the shares of common stock, par value $0.01 per share ("Common Stock"), of Daleen Technologies, Inc. (the "Company"). This Amendment No. 2 is filed jointly on behalf of the Reporting Persons in accordance with Rule 13d-1(k)(1) under the Securities

Exchange Act of 1934 pursuant to a Joint Filing Agreement set forth on Exhibit A hereto.

This Amendment No. 2 amends the Original 13D with respect to the items set forth below. Unless otherwise indicated, each capitalized term used but not otherwise defined herein shall have the meaning assigned to such term in the Original 13D.

ITEM 4. Purpose of Transaction

The response set forth in Item 4 of the Original 13D is hereby amended and supplemented by adding the following paragraphs:

On May 7, 2004, Behrman and SEF entered into an Agreement and Plan of Merger and Share Exchange (the "Merger Agreement") with the Company, Daleen Holdings, Inc., a newly formed Delaware corporation ("Daleen Holdings") and Parallel Acquisition, Inc., a wholly-owned subsidiary of Daleen Holdings ("Parallel"), pursuant to which the Company agreed to merge with Parallel to become a privately-held company and wholly-owned subsidiary of Daleen Holdings (the "Merger"). The Merger may be deemed to constitute a "going private" transaction that is subject to the requirements of Rule 13e-3 under the Securities Exchange Act of 1934. The Merger Agreement requires the Company to file certain materials with the SEC, including a proxy statement and a Schedule 13E-3, and, after review of those materials by the SEC, to distribute such materials to its stockholders. The consummation of the Merger is subject to certain closing conditions, including the approval of the Company's stockholders and the satisfaction of the conditions to closing of certain related transactions, including the purchase by Daleen Holdings of all of the outstanding stock of Protek Telecommunications Solutions Limited (the "Protek Acquisition") and the investments contemplated by the Investment Agreement (as discussed below), all as more fully described in the Merger Agreement. Under the Merger Agreement, Behrman and SEF have agreed to exchange their shares of Series F convertible preferred stock ("Series F Stock") of the Company for a combination of shares of Series A-1 convertible preferred stock and shares of common stock of Daleen Holdings, that, in the aggregate, have been valued at approximately $7,664,700 pursuant to the terms of the Merger Agreement. In addition, Behrman, SEF and the other holders of shares of Common Stock, will have the right to receive cash in exchange for their shares of Common Stock at an exchange ratio of $0.0384 per share of Common Stock. All descriptions herein of the terms of the Merger and the Merger Agreement are qualified in their entirety by reference to the Merger Agreement, a copy of which is filed as Exhibit 1 to Amendment No. 2 and is incorporated herein by reference in its entirety.

In connection with the Merger Agreement, Behrman and SEF entered into a Voting Agreement on May 7, 2004 (the "Voting Agreement") with Quadrangle Capital Partners LP ("QCP"), Quadrangle Select Partners LP and Quadrangle Capital Partners-A LP (together, the "Quadrangle Parties"). Pursuant to the terms of the Voting Agreement, Behrman and SEF agreed, until the consummation of the closing of the Merger or the earlier termination of the Merger Agreement, (a) not to transfer any of their shares of Common Stock or Series F Stock and (b) to vote

all of such shares in favor of the Merger Agreement at any meeting of the stockholders of the Company and against (i) any proposal made in opposition to the Merger, (ii) any liquidation or winding up of the Company, (iii) any extraordinary dividend by the Company, (iv) any amendment of the Company's certificate or incorporation or bylaws, (v) any change in the capital structure of the Company and (vi) any other action that

might impede, interfere with, delay, postpone or attempt to discourage the consummation of the Merger and the transactions related thereto. In addition, Behrman and SEF have granted an irrevocable proxy to Michael Huber, in his capacity as managing partner of QCP, to vote all such shares in favor of the Merger Agreement. All descriptions herein of the terms of the Voting Agreement are qualified in their entirety by reference to the Voting Agreement, a copy of which is filed as Exhibit 2 to Amendment No. 2 and is incorporated herein by reference in its entirety.

Contemporaneously with the execution of the Merger Agreement, Behrman, SEF, the Quadrangle Parties and Daleen Holdings entered into an Investment Agreement dated May 7, 2004 (the "Investment Agreement"), pursuant to which Behrman and SEF have agreed to invest $5 million and the Quadrangle Parties have agreed to invest $25 million in Daleen Holdings, with the obligations of the parties to make such investments being conditioned upon certain events, including the satisfaction of the conditions to closing set forth the Merger Agreement. Also on May 7, 2004, Behrman and SEF entered into a Subordinated Bridge Loan Agreement with the Company (the "Loan Agreement"), pursuant to which Behrman and SEF agreed to lend the Company up to an aggregate maximum amount of $5.1 million. To satisfy its payment obligations under the Investment Agreement, Behrman may transfer any notes it receives from the Company under the Loan Agreement to Daleen Holdings. Also in connection with the Loan Agreement, the Company agreed to direct the release from escrow (the "Escrow Release") of all shares of Common Stock and Series F Stock and all warrants underlying shares of Common Stock that have been held in escrow pursuant to the transactions contemplated by an Asset Purchase Agreement dated October 7, 2002 among the Company, Daleen Solutions, Inc. and Abiliti Solutions, Inc., the terms of which are more fully described in the Original 13D. All descriptions herein of the terms of the Investment Agreement and the Loan Agreement are qualified in their entirety by reference to such agreements, copies of which are filed as Exhibits 3 and 4 to Amendment No. 2 and are incorporated herein by reference in their entirety.

Pursuant to the terms of a Transaction Support Agreement dated May 7, 2004 (the "Support Agreement"), Behrman, SEF, the Quadrangle Parties and the Company have agreed to effect a simultaneous closing of the Merger, the Protek Acquisition and the investments under the Investment Agreement and to otherwise coordinate the performance and consummation of those transactions. The

description herein of the terms of the Support Agreement is qualified in its entirety by reference to the Support Agreement, a copy of which is filed as Exhibit 5 to Amendment No. 2 and is incorporated herein by reference in its entirety.

Except as set forth in this Item 4, the Reporting Persons do not presently have any plans or proposals concerning the Company with respect to any of the matters set forth in subparagraphs (a) through (j) of the instructions accompanying Item 4 of Schedule 13D.

ITEM 5. Interest in Securities of the Issuer

The response set forth in Item 5 of the Original 13D is hereby amended and supplemented by adding the following paragraphs:

As of May 7, 2004, after giving effect to the Escrow Release, Behrman Capital directly beneficially owned (i) 21,342,454 shares of Common Stock, (ii) 220,596 shares of Series F Stock (which are convertible into 27,012,046 shares of Common Stock) and (iii) warrants to purchase up to an aggregate of 11,298,146 shares of Common Stock. Therefore, Behrman Capital directly beneficially owned an aggregate of 59,652,646 shares of Common Stock, which is equivalent to approximately 70.0% of the total number of shares of Common Stock outstanding, based on the number of outstanding shares of Common Stock reported in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (the "Company 10-K"). As of May 7, 2004, after giving effect to the Escrow Release, SEF directly beneficially owned (i) 289,379 shares of Common Stock, (ii) 2,992 shares of Series F Stock (which are convertible into 366,371 shares of Common Stock) and (iii)

warrants to purchase up to an aggregate of 153,189 shares of Common Stock. Therefore, SEF directly beneficially owned an aggregate of 808,939 shares of Common Stock, which is equivalent to approximately 1.7% of the total number of shares of Common Stock outstanding, based on the number of outstanding shares of Common Stock reported in the Company 10-K.

In accordance with the rules governing determination of beneficial ownership, the foregoing percentages have been separately calculated assuming that Behrman Capital or SEF, as applicable, converted its shares of Series F Stock and exercised its warrants to purchase Common Stock.

Behrman Brothers is the general partner of Behrman Capital and, as such, shares the power to vote or direct the vote and to dispose or direct the disposition of all shares of Common Stock and Series F Stock and warrants to purchase shares of Common Stock held by Behrman Capital. Accordingly, Behrman Brothers may be deemed to have beneficial ownership of the 59,652,646 shares of

Common Stock deemed to be beneficially owned by Behrman Capital. Mr. Behrman and Mr. Matthes are the managing members of Behrman Brothers and, as such, have the power to direct the actions of Behrman Brothers. Accordingly, Mssrs. Behrman and Matthes each may be deemed to have beneficial ownership of the 59,652,646 shares of Common Stock deemed to be beneficially owned by Behrman Brothers. Mr. Behrman is also the general partner of SEF and, as such, shares the power to vote or direct the vote and to dispose or direct the disposition of all share of Common Stock and Series F Stock and warrants to purchase shares of Common Stock held by SEF. Therefore, Mr. Behrman also may be deemed to beneficially own the 808,939 shares of Common Stock deemed to be beneficially owned by SEF for an aggregate deemed beneficial ownership of 60,461,585, or approximately 70.5% of the total number of shares of Common Stock outstanding, based on the number of outstanding shares of Common Stock reported in the Company 10-K. In light of the relationships between the Reporting Persons described herein and the effect of the terms of the Voting Agreement, each Reporting Person is deemed to have both shared voting power and shared dispositive power with respect to the shares of Common Stock such Reporting Person is deemed to beneficially own.

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The information set forth under Items 4 and 5 above and the Exhibits attached hereto is incorporated herein by reference in its entirety.

ITEM 7. Materials to be Filed as Exhibits

The following documents are filed as exhibits to this Amendment No. 2 to the Original 13D:

Exhibit A Joint Filing Agreement dated May 17, 2004

Exhibit 1 Agreement and Plan of Merger and Share Exchange dated May 7, 2004.

Exhibit 2 Voting Agreement dated May 7, 2004.

Exhibit 3 Series A Convertible Redeemable PIK Preferred Stock Investment Agreement dated May 7, 2004.

Exhibit 4 Subordinated Bridge Loan Agreement dated May 7, 2004.

Exhibit 5 Transaction Support Agreement dated May 7, 2004.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, each of the undersigned hereby certifies that the information set forth in this statement is true, complete and correct.

EXECUTED as a sealed instrument this 17th day of May, 2004.

Behrman Capital II, L.P.

By: Behrman Brothers, L.L.C.,
its general partner

By: /s/ Grant G. Behrman

Name: Grant G. Behrman
Title: Managing Member

Strategic Entrepreneur Fund II, L.P.

By: /s/ Grant G. Behrman

Name: Grant G. Behrman
Title: General Partner

Behrman Brothers, L.L.C.

By: /s/ Grant G. Behrman

Name: Grant G. Behrman
Title: Managing Member

/s/ Grant G. Behrman

Grant G. Behrman

/s/ William M. Matthes

William M. Matthes

EXHIBIT A

Joint Filing Agreement

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, each of the persons named below agrees to the joint filing of a Statement on Schedule 13D (including amendments thereto) with respect to the common stock, par value $0.01 per share, of Daleen Technologies, Inc, a Delaware corporation, and further agrees that this Joint Filing Agreement be included as an exhibit to such filings, provided that, as contemplated by Section 13d-1(k)(1)(ii), no person shall be responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate.

This Joint Filing Agreement may be executed in two or more counterparts, any one of which need not contain the signature of more than one party, but all of which taken together will constitute one and the same agreement.

In evidence thereof, the undersigned, being duly authorized, hereby execute this Agreement on this May 17, 2004.

Behrman Capital II, L.P.

By: Behrman Brothers, L.L.C., its general partner

By: /s/ Grant G. Behrman

Name: Grant G. Behrman
Title: Managing Member

Strategic Entrepreneur Fund II, L.P.

By: /s/ Grant G. Behrman

Name: Grant G. Behrman
Title: General Partner

Behrman Brothers, L.L.C.

By: /s/ Grant G. Behrman

Name: Grant G. Behrman
Title: Managing Member

/s/ Grant G. Behrman

Grant G. Behrman

/s/ William M. Matthes

William M. Matthes

Exhibit 1

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER AND SHARE EXCHANGE

Among

DALEEN HOLDINGS, INC.,

PARALLEL ACQUISITION, INC.,

DALEEN TECHNOLOGIES, INC.,

BEHRMAN CAPITAL II, L.P.

and

STRATEGIC ENTREPRENEUR FUND II, L.P.

Dated as of May 7, 2004

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3.05(b)	Required Filings and Consents
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PARENT DISCLOSURE SCHEDULES

Schedule No.	Summary Description
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OTHER DISCLOSURE SCHEDULES

Schedule No.	Summary Description
5.01	Conduct of Business
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AGREEMENT AND PLAN OF MERGER AND SHARE EXCHANGE

This is an AGREEMENT AND PLAN OF MERGER AND SHARE EXCHANGE, dated as of May 7, 2004 (this "Agreement"), made by and among Daleen Holdings, Inc., a Delaware corporation ("Parent"), Parallel Acquisition, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Acquisition Sub"), Daleen Technologies,

Inc., a Delaware corporation (the "Company"), Behrman Capital II, L.P., a Delaware limited partnership ("Behrman") and Strategic Entrepreneur Fund II, L.P., a Delaware limited partnership ("SEF"). Certain terms used in this Agreement are defined in Section 10.03 below.

Parent is a newly formed Delaware corporation that has been formed by the Company for the purpose of entering into and consummating the transactions contemplated by this Agreement. Concurrent with the execution and delivery of this Agreement, Quadrangle Capital Partners LP, a Delaware limited partnership ("QCP"), Quadrangle Select Partners LP, a Delaware limited partnership ("QSP"), Quadrangle Capital Partners-A LP, a Delaware limited partnership ("QCP-A" and collectively with QCP and QSP, "Quadrangle"), Behrman and SEF are entering into an Investment Agreement (the "Investment Agreement"), pursuant to and subject to the terms and conditions of which they have agreed to invest an aggregate of $30 million in cash in Parent in consideration of the issuance by Parent of shares of Parent Series A PIK Preferred. Also concurrent with the execution and delivery of this Agreement, Parent has agreed to purchase all outstanding shares of the outstanding capital stock of Protek Telecommunications Solutions Limited, a company organized in the United Kingdom ("Protek") pursuant to and subject to the terms and conditions set forth in a Stock Purchase Agreement of even date herewith (the "Protek Agreement"). Concurrent therewith, the Company is entering into the Bridge Loan Facility with an operating subsidiary of Protek, and Behrman is providing a bridge loan facility to the Company.

Behrman and SEF desire to exchange their existing holdings of the capital stock of the Company for a combination of shares of Parent PIK Preferred and Parent Common Stock, on the terms and subject to the conditions set forth herein (the "Share Exchange"). Upon consummation of the Share Exchange, the parties further desire to cause Acquisition Sub to merge with and into the Company, on the terms and subject to the conditions set forth herein (the "Merger"). These transactions are expected to have the effect of permitting the Company to cease to be a reporting company under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The respective boards of directors (or equivalent governing bodies) of Parent, Acquisition Sub, the Company, Behrman and SEF have approved and declared advisable this Agreement, the Share Exchange and the Merger, upon the terms and subject to the conditions hereof, whereby each Share not owned, directly or indirectly, by the Company, Parent or any of their respective Subsidiaries, excluding Shares held by persons who comply with all provisions of Delaware law concerning the right of holders of Shares to dissent from the Merger and require appraisal of their Shares, will be converted into the right to receive the respective consideration provided for herein pursuant to the Merger. In addition,

certain stockholders of the Company have entered into Voting Agreements (collectively, the "Voting Agreements"), with Quadrangle, providing, among other things, that the stockholders party thereto shall vote all shares of the capital stock of the Company held by them in favor of the Merger and the other transactions contemplated by this Agreement.

Valuation Research Corporation, financial advisor to the Company, has on the date hereof issued an opinion addressed to the Special Committee of the Board of Directors of the Company for the benefit of the Board of Directors of the Company and its stockholders as to the fairness, from a financial point of view, of the consideration to be issued to the stockholders of the Company in

connection with the Merger.

Parent, Acquisition Sub and the Company desire to make certain representations, warranties and agreements in connection with the Share Exchange, the Merger and the other transactions contemplated by this Agreement and also to prescribe various conditions to the Share Exchange, the Merger and the other transactions contemplated by this Agreement.

In consideration of the foregoing and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Parent, Acquisition Sub, the Company, Behrman and SEF hereby agree as follows:

ARTICLE I

THE SHARE EXCHANGE AND THE MERGER

SECTION 1.01 The Share Exchange.

(a) Provided that this Agreement shall not have been terminated in accordance with Article VIII and the conditions set forth in Section 7.01 shall have been satisfied (unless, to the extent permitted hereby, waived), on the Closing Date, immediately prior to the Merger Closing, Behrman, SEF and Parent shall consummate the Share Exchange (the "Share Exchange Closing") by making the respective deliveries set forth in paragraphs (b) and (c) following. Notwithstanding consummation of the Share Exchange Closing, if for any reason the Merger shall not occur or be deemed not to have occurred, the Share Exchange Closing shall be deemed void and of no effect, and the parties shall use their respective best efforts to reverse the deliveries set forth in paragraphs (b) and (c) below.

(b) At the Share Exchange Closing, each of Behrman and SEF shall deliver to Parent all shares of the Series F Convertible Preferred Stock, par value $0.01 per share, of the Company (the "Daleen Series F Preferred Stock") held by it (all such shares of Daleen Series F Preferred Stock held by Behrman and SEF together, the "Exchanged Shares"), together with all certificates representing the same, duly endorsed in blank or with duly executed stock powers attached thereto, in proper form for transfer, free and clear of all Liens together with payment of any Taxes imposed on the transfer of such Exchanged Shares, and shall also deliver to Parent duly executed copies of the Stockholders Agreement.

(c) At the Share Exchange Closing, Parent shall issue to Behrman and SEF in respect of each Exchanged Share,

(x) a number of shares of Parent PIK Preferred equal to the result obtained by dividing (A) $5,000,000 by (B) the product of the Parent PIK Value and the aggregate number of Exchanged Shares, plus

(y) a number of shares of Parent Common Stock equal to the result obtained by dividing (A) the excess of (X) the Series F Value times the aggregate number of Exchanged Shares over (Y) $5,000,000, by (B) the product of the Parent Common Stock Value and the aggregate number of Exchanged Shares;

in each case duly certificated in the names of Behrman and SEF as the respective record holders thereof (collectively, the "Share Exchange Consideration"); provided, however, that certificates in respect of the Escrow Percentage of the shares of Parent PIK Preferred included in the Share Exchange Consideration and the Escrow Percentage of the shares of Parent Common Stock included in the Share Exchange Consideration shall be delivered to the Escrow Agent as contemplated by Section 2.05. The aggregate number of shares of Parent PIK Preferred and Parent Common Stock issued to Behrman and SEF respectively in the Share Exchange will be rounded down to the nearest whole share, without payment for any fractional shares eliminated by such rounding. For purposes of this Agreement, "Parent PIK Value" shall mean $100, and "Parent Common Stock Value" shall mean $25. The "Series F Value" shall mean $34.28 per share of Daleen Series F Preferred Stock.

(d) Each of Behrman and SEF hereby represents, warrants and covenants, severally and not jointly, both as of the date hereof and as of the Share Exchange Closing, that (i) it holds record and beneficial title to the number of shares of Common Stock, par value $0.01 per share, of the Company (the "Daleen Common Stock") and Daleen Series F Preferred Stock set forth next to its name on Exhibit A, free and clear of all Liens other than Liens created by this Agreement, (ii) upon delivery of the Share Exchange Consideration, Parent will have good, legal and marketable title to the representing entity's Exchanged Shares, free and clear of all Liens, (iii) except for this Agreement and such representing entity's Voting Agreement, none of such entity's Exchanged Shares is subject to any voting trust, proxy or other contract, agreement or arrangement, including any such contract, agreement or arrangement relating to the voting, dividend rights, liquidation rights, redemption rights or disposition of any such Exchanged Shares, (iv) there are no subscriptions, options, warrants, calls, preemptive rights or rights of conversion or other rights, agreements, arrangements or commitments relating to the Exchanged Shares obligating such representing entity to sell or transfer any Exchanged Shares and (v) it shall not at any time prior to Closing (or earlier termination of this Agreement in accordance with the terms hereof) enter into or effect any contract, agreement, arrangement or transaction that would reasonably be expected to have the effect of causing any of the foregoing representations and warranties to be incorrect in any material respect.

SECTION 1.02. The Merger. Upon the terms and subject to the conditions set forth herein, and in accordance with the Delaware General Corporation Law (the "DGCL"), at the Effective Time, Acquisition Sub shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Acquisition Sub shall cease, and the Company shall continue as the surviving corporation of the Merger (the "Surviving Corporation").

SECTION 1.03. Effective Time; Closing. As promptly as practicable after, but not later than the second business day following, the satisfaction or, if permissible, waiver of the conditions set forth in Article VII, the parties hereto shall cause the Merger to be consummated by filing a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware, in such form as is required by, and executed in accordance with the relevant provisions of, the DGCL. The term "Effective Time" means the date and time of the filing of the Certificate of Merger with the Secretary of State of the State of Delaware (or such later time as may be agreed by each of the parties hereto and specified in the Certificate of Merger). Immediately prior to the filing of the Certificate of Merger, the Share Exchange Closing and

consummation of the other transactions contemplated by this Agreement (the "Merger Closing" and, together with the Share Exchange Closing, the "Closing") at the offices of Kirkpatrick & Lockhart LLP located at 599 Lexington Avenue, New York, New York at 11 a.m., local time, on or before September 30, 2004, or at such other time, date and/or place as the parties may mutually agree in writing (the date of such Closing, the "Closing Date").

SECTION 1.04. Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, powers and franchises of the Company and Acquisition Sub shall vest in the Surviving Corporation, and all debts, liabilities, and duties of each of the Company and Acquisition Sub shall become the debts, liabilities, and duties of the Surviving Corporation.

SECTION 1.05. Certificate of Incorporation; By-laws.

(a) At the Effective Time, the Certificate of Incorporation of the Company, as in effect immediately prior to the Effective Time, shall be the Certificate of Incorporation of the Surviving Corporation until thereafter amended as provided by law and such Certificate of Incorporation.

(b) At the Effective Time, the By-laws of the Company, as in effect immediately prior to the Effective Time, shall be the By-laws of the Surviving Corporation until thereafter amended as provided by law, the Certificate of Incorporation of the Surviving Corporation and such By-laws.

SECTION 1.06. Directors and Officers. The directors of Acquisition Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and By-laws of the Surviving Corporation, and the officers of the Company immediately prior to the

Effective Time shall be the initial officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified.

SECTION 1.07. Other Effects. From and after the Effective Time, the Surviving Corporation shall possess all the assets, rights, privileges, powers and franchises and be subject to all of the liabilities, restrictions, disabilities and duties of the Company, all as provided under Delaware law.

ARTICLE II

CONVERSION OF SECURITIES; EXCHANGE OF CERTIFICATES

SECTION 2.01. Conversion Of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Acquisition Sub, the Company or the holders of any of the following securities:

(a) Each Share of Daleen Series F Preferred Stock issued and outstanding immediately prior to the Effective Time (other than any Shares to be canceled pursuant to Section 2.01(d) (including Exchanged Shares) and other than Dissenting Shares) shall convert into the right to receive (subject to the

escrow provided for in Section 2.05):

(i) cash per share equal to the result obtained by dividing (x) the result obtained by subtracting from $4,600,000 the sum of all amounts to be paid under paragraph (c) of this Section (assuming for purposes of such calculation that there are no Dissenting Shares), by (y) the aggregate number of shares of Daleen Series F Preferred Stock held by record holders (other than Parent) that have not duly and timely delivered an Equity Election Notice; plus

(ii) a number of fully paid and nonassessable shares of Parent Common Stock equal to the result obtained by dividing (x) the excess of the Series F Value over the per share amount resulting from the calculation in clause (i) immediately preceding, by (y) the Parent Common Stock Value;

provided, however, that in the event that an Equity Election has been validly made and not withdrawn by the record holder of a share of Daleen Series F Preferred Stock in accordance with Section 2.02, such share shall convert instead into the right to receive that number of fully paid and nonassessable shares of Parent Common Stock equal to the result obtained by dividing the Series F Value by the Parent Common Stock Value, subject to the escrow provided for in Section 2.05.

(b) [Reserved].

(c) Each share of Daleen Common Stock issued and outstanding immediately prior to the Effective Time (other than any Shares to be canceled pursuant to Section 2.01(d) and other than Dissenting Shares) shall convert into the right to receive $0.0384 in cash

(subject, in the case of shares of Daleen Common Stock held by Behrman and SEF, to the escrow described in Section 2.05 below).

(d) Each share of the capital stock of the Company ("Share") held in the treasury of the Company and each Share owned by Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company immediately prior to the Effective Time shall be canceled and extinguished without any conversion thereof, and no payment shall be made with respect thereto.

(e) Each share of common stock of Acquisition Sub issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation.

(f) As of the Effective Time, all Shares outstanding immediately prior to the Effective Time (other than Shares to be cancelled pursuant to Section 2.01(d)) shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a certificate or certificates which prior thereto represented Shares shall cease to have any rights with respect thereto, except the right to receive, for each Share represented by such certificate, the respective consideration provided for in Section 2.01(a), (b) or (c) ("Merger Consideration"), as the case may be, without interest, or, if such holder is a Dissenting Stockholder, the rights, if any, afforded to such holder under Section 262 of the DGCL.

(g) Notwithstanding anything in this Agreement to the contrary, any Shares held by a person (a "Dissenting Stockholder") who shall have demanded and perfected a right to receive payment of the fair value of such Shares pursuant to Section 262 of the DGCL ("Dissenting Shares") shall not be converted as described in Section 2.01(a), (b) or (c), as the case may be, unless such holder fails to comply with the provisions of Section 262 of the DGCL or withdraws or otherwise loses its right to receive such fair value payment. At the Effective Time, by virtue of the Merger and without any action on the part of the Dissenting Stockholder, all Dissenting Shares shall be cancelled and cease to exist and shall represent only the right to receive only those rights provided under the DGCL. If, after the Effective Time, such Dissenting Stockholder fails to comply with the provisions of Section 262 of the DGCL or withdraws or loses his or her right to receive such fair value payment, such Dissenting Stockholder's Shares shall no longer be considered Dissenting Shares for the purposes of this Agreement and shall thereupon be deemed to have been converted into and to have become exchangeable for, at the Effective Time, the right to receive for each such Share the respective Merger Consideration provided for in Section 2.01(a), (b) or (c), as the case may be, without interest. The Company shall give Parent (i) prompt notice of any demands to receive payment of fair value of shares received by the Company and (ii) the opportunity to participate in and direct all negotiations and proceedings with respect to such demands. The Company shall not, without the prior written consent of Parent, make any payment with respect to, or settle, offer to settle or otherwise negotiate, any such demands.

SECTION 2.02 Equity Election.

(a) Each record holder of Daleen Series F Preferred Stock as of the record date for the Company Stockholders Meeting shall be entitled to make a joint election (a "Equity Election") to receive (subject to the terms and conditions of this Agreement) shares of Parent Common Stock in accordance with the proviso to Section 2.01(a) (the "Equity Election Consideration"). Such Equity Election may be made on or prior to the Election Date to receive the Equity Election Consideration, on the basis hereinafter set forth.

(b) Prior to the mailing of the Company Proxy Statement, Parent and Acquisition Sub shall appoint SunTrust Bank or another national bank or trust company mutually acceptable to Parent and the Company to act as exchange agent (the "Exchange Agent") for the payment of the Merger Consideration, and Parent shall enter into an exchange agent agreement with the Exchange Agent in form and substance reasonably acceptable to the Company.

(c) The Company shall, subject to any required clearance by the Securities and Exchange Commission (the "SEC"), prepare and mail a Equity Election Notice, which form shall be subject to the reasonable approval of Acquisition Sub (the "Equity Election Notice"), with the Company Proxy Statement to the record holders of Shares as of the record date for the Company Stockholders' Meeting, which Equity Election Notice shall be used by each holder of Daleen Series F Preferred Stock that wishes to elect to receive the Equity Election Consideration upon conversion of such holder's shares of Daleen Series F Preferred Stock in the Merger, subject to the provisions of this Article II. The Company will use its best efforts to make the Equity Election Notice and the Proxy Statement available to all persons who become holders of Daleen Series F Preferred Stock during the period between such record date and the Election Date

referred to below. Any such holder's election to receive the Equity Election Consideration shall have been properly made only if the Exchange Agent shall have received at its designated office, by 5:00 p.m., New York City time on the business day (the "Election Date") preceding the date of the Company Stockholders' Meeting, a Equity Election Notice properly completed and signed by such holder. Without limitation of the foregoing, in order to be deemed properly completed and submitted by a holder such holder must duly execute any joinder to the Stockholders Agreement included therein.

(d) Any Equity Election Notice may be revoked by the record holder submitting it to the Exchange Agent only by written notice of such holder received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Election Date.

(e) The determination of the Exchange Agent shall be binding whether or not any Equity Election has been properly made or revoked pursuant to this Section 2.02 and when elections and revocations were received by it. If the Exchange Agent determines that any Equity Election was not properly made, the respective Shares shall be converted in the Merger into the right to receive cash and shares of Parent Common Stock in accordance with Section 2.01(a). The Exchange Agent shall also make all computations contemplated by Section 2.01(a), and any such computation shall be conclusive and binding on the holders of Shares. The Exchange Agent may, with the mutual agreement of the Company, Acquisition Sub and Parent, make such rules as are consistent with this Section 2.02 for the

implementation of the elections provided for herein as shall be necessary or desirable fully to effect such elections.

SECTION 2.03. Surrender of Shares; Transfer Books.

(a) Exchange Agent. At or prior to the Effective Time, Parent shall deposit with the Exchange Agent, for the benefit of the holders of Shares, the Merger Consideration for exchange in accordance with this Article II (subject to the escrow described in Section 2.05 below). The cash portion of the Merger Consideration shall be invested by the Exchange Agent as directed by Parent. Any net profit resulting from, or interest or income produced by, such investments will be payable to Parent.

(b) Exchange Procedures. Promptly and as soon as practicable after the Effective Time, each holder of an outstanding certificate or certificates which prior thereto represented Shares shall, upon surrender to the Exchange Agent of such certificate or certificates and acceptance thereof by the Exchange Agent, be entitled to certificates representing the number of full shares of Parent Common Stock, if any, to be received by the holder thereof pursuant to this Agreement and the amount of cash, if any, which the holder of such shares has the right to receive pursuant to this Agreement and the cash, if any, payable in lieu of any fractional shares, subject to the escrow provided for in Section 2.05. The Exchange Agent shall accept such certificates upon compliance with such reasonable terms and conditions as the Exchange Agent may impose to effect an orderly exchange thereof in accordance with normal exchange practices. After the Effective Time, there shall be no further transfer on the records of the Company or its transfer agent of certificates representing Shares which have been converted pursuant to this Agreement into the right to receive the Merger

Consideration, and if such certificates are presented to the Company for transfer, they shall be canceled against delivery of cash and/or certificates for shares of Parent Common Stock, as the case may be. If any certificate for such Parent Common Stock is to be issued in, or if cash is to be remitted to, a name other than that in which the certificate for Shares surrendered for exchange is registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed, with signature guaranteed, or otherwise in proper form for transfer and that the person requesting such exchange shall pay to Parent or its transfer agent any transfer or other taxes required by reason of the issuance of certificates for such Shares in a name other than that of the registered holder of the certificate surrendered, or establish to the satisfaction of Parent or its transfer agent that such tax has been paid or is not applicable. Until surrendered as contemplated by this Section 2.03(b), each certificate for Shares which have been converted into the right to receive the Merger Consideration shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration as contemplated by and determined in accordance with Sections 2.01 and 2.02. No interest will be paid or will accrue on any cash payable as Merger Consideration or in lieu of any fractional shares of Parent Common Stock.

(c) Distributions with Respect to Unexchanged Shares. No dividends or other distributions with respect to shares of Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate for Shares with

respect to the shares of Parent Common Stock, if any, to be received in respect thereof and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 2.03(e) until the surrender of such certificate in accordance with this Article II. Subject to the effect of applicable laws, following surrender of any such certificate, there shall be paid to the holder of the certificate representing whole shares of Parent Common Stock issued in connection therewith, without interest,(i)at the time of such surrender the amount of any cash payable in lieu of a fractional share of Parent Common Stock to which such holder is entitled pursuant to Section 2.03(e) and the proportionate amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock, and (ii) at the appropriate payment date, the proportionate amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such whole shares of Parent Common Stock; provided, however, that dividends or other distributions in respect of shares of Parent Common Stock held by the Escrow Agent in accordance with Section 2.05 shall not be delivered to the record holder thereof, but shall instead be delivered to the Escrow Agent to be held and applied in accordance with the Escrow Agreement.

(d) No Further Ownership Rights in Shares. All Merger Consideration paid or delivered upon the surrender for exchange of certificates representing Shares in accordance with the terms of this Article II (including any cash paid pursuant to Section 2.03(e)) shall be deemed to have been issued and paid in full satisfaction of all rights pertaining to the Shares exchanged therefor theretofore represented by such certificates.

(e) No Fractional Shares. No certificates or scrip representing fractional shares of Parent Common Stock shall be issued in connection with the Merger, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a shareholder of Parent after the Merger. Each record holder of Shares exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Parent Common Stock (after taking into account all Shares delivered by such holder) shall receive, in lieu thereof, a cash payment (without interest) in lieu of such fractional share in an amount equal to the product of such fraction multiplied by the Parent Common Stock Value.

(f) Termination of Exchange Fund. Any portion of the Merger Consideration deposited with the Exchange Agent pursuant to this Section 2.03 (the "Exchange Fund") which remains undistributed to the holders of the certificates formerly representing Shares on the date that is 180 days after the Effective Time shall be promptly delivered to Parent, and any holders of Shares prior to the Merger who have not theretofore complied with this Article II shall thereafter look only to Parent and only as general creditors thereof for payment of their claim for cash, if any, shares of Parent Common Stock, if any, any cash in lieu of fractional shares of Parent Common Stock, and any dividends or distributions with respect to shares of Parent Common Stock, as applicable, to which such holders may be entitled.

(g) No Liability. None of Acquisition Sub, Parent, the Company nor the Exchange Agent shall be liable to any person in respect of any shares of Parent Common

Stock (or dividends or distributions with respect thereto) or cash from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any certificates representing Shares immediately prior to the Effective Time shall not have been surrendered prior to the date that is the first anniversary of the Effective Time (or immediately prior to such earlier date on which any cash, if any, any cash in lieu of fractional shares of Parent Common Stock, any dividends or distributions with respect to shares of Parent Common Stock in respect of such certificate would otherwise escheat to or become the property of any Governmental Entity, any such cash, dividends or distributions in respect of such certificate shall, to the extent permitted by applicable law, become the property of Parent, free and clear of all claims or interests of any person previously entitled thereto.

(h) Withholding Rights. Each of the Surviving Corporation and Parent shall be entitled to deduct and withhold, and to direct the Exchange Agent to so deduct and withhold, from the consideration otherwise payable pursuant to this Agreement to any holder of Shares such amounts as it is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Surviving Corporation or Parent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of such Shares in respect of which such deduction and withholding was made by the Surviving Corporation or Parent, as the case may be.

SECTION 2.04. Effect of the Merger on Stock Options and Warrants.

(a) As of the Effective Time, by virtue of the Merger and corporate actions taken concurrent with the execution and delivery of this Agreement and without any further action on the part of Acquisition Sub, the Company or the holders thereof, each option to purchase capital stock of the Company listed on Schedule 2.04 to the Company Disclosure Schedule (the "Company Options"), whether or not exercisable, whether or not vested, and whether or not performance-based, outstanding under the Company's stock plans listed on Schedule 2.04 to the Company Disclosure Schedule (collectively, the "Company Stock Option Plans"), shall, to the extent not exercised between the date hereof and Closing, be terminated. The Company has, concurrent with the execution and delivery of this Agreement, amended the terms of each grant under such Company Stock Option Plan to provide that vesting and exercise of each such Company Option shall accelerate effective as of the Closing Date, and that, unless exercised by written notice of exercise delivered prior to the Closing Date (and conditioned solely on the occurrence of Closing), such Company Option shall be terminated immediately prior to the Effective Time without further action or the Company or the holder thereof. Such amendments are effective to ensure that, following the Effective Time, no current or former employee, director, consultant or other person shall have any option to purchase Shares or any other equity interests or any phantom stock options or stock appreciation rights in the Company under any Company Stock Option Plan to require the Company to purchase Shares for his or her benefit or shall have any right to acquire or receive any securities of the Surviving Corporation or any consideration except as contemplated by this Section 2.04(a).

(b) As of the Effective Time, by virtue of the Merger and the consents set forth in the Voting Agreements and without any action on the part of Acquisition Sub, the Company or the holders thereof, all outstanding warrants of the Company shall be terminated and cancelled.

SECTION 2.05. Escrow. (a) General. Subject to the terms and conditions of an escrow agreement in substantially the form of Exhibit B (the "Escrow Agreement"), (a) the following portions of each of the aggregate cash and shares of Parent Common Stock deliverable to the Series F Holders under Section 2 and (b) the cash deliverable to Behrman and SEF in respect of their shares of Daleen Common Stock shall not be delivered to such persons at Closing, but shall instead be delivered to be held in escrow in accordance with the terms of the Escrow Agreement:

(i) an aggregate of 12.5% (the "Escrow Percentage") shall be delivered to the Escrow Agent to be held as a general escrow account securing the indemnification obligations of the Series F Holders under Section 9.01(a) (the "General Escrow");

(ii) if, but only if, any Specified Litigation is pending as of the Effective Time, 6.49% shall be delivered to the Escrow Agent to be held as a special escrow account securing the indemnification obligations of the Series F Holders under Section 9.01(d) (the "Special Escrow"); and

(iii) all cash that would otherwise be deliverable to Behrman and SEF in respect of their shares of Daleen Common Stock shall be delivered to the Escrow Agent to be held as an escrow account securing the indemnification obligations of Behrman and SEF under Sections 9.01(a) and 9.01(d) (the "Behrman Escrow").

Certificates in respect of the shares so delivered into escrow shall be issued in the name of the respective Series F Holder shall be issued in the name of such holder as the record holder thereof, but shall be delivered to and held by the Escrow Agent as provided in the Escrow Agreement.

(b) Initial Release. If, within thirty (30) calendar days of the receipt by Parent of its audited financial statements for fiscal year ending December 31, 2004 (which audited financial statements Parent shall make all commercially reasonable efforts to have completed by March 31, 2005), at least seventy-five percent (75%) of each of the cash and shares of Parent Common Stock that were delivered to the Escrow Agent at Closing and allocated to the General Escrow remain in escrow and are not otherwise the subject of any good faith claim made by a Parent Indemnitee pursuant to Article 9, then fifty percent (50%) of each of the cash and shares of Parent Common Stock that were delivered to the Escrow Agent at Closing and allocated to the General Escrow and are not the subject of a good faith Parent Indemnitee claim pursuant to Article 9 shall be released to the Series F Holders pro rata to their interests therein. For the purpose of avoidance of doubt, it is acknowledged for purposes of this Section 2.05(b) that in respect of any third party claim a Parent Indemnitee shall have a good faith claim in respect of the full amount (including

Parent's reasonable estimate of attorneys fees and costs) claimed by such third party (or, if no specific amount is claimed, Parent's good faith determination of such Parent Indemnitee's maximum exposure if all claims presented by such third party claimant were to be finally determined adversely to such Parent Indemnitee).

(c) Release Following Survival Period. If, at any time after the thirtieth (30th) day after the receipt by Parent of its audited financial statements for fiscal year ending December 31, 2005 (which audited financial statements Parent shall make all commercially reasonable efforts to have completed by March 31, 2006), any portion of each of the cash and shares of Parent Common Stock held in the General Escrow is not the subject of a good faith Parent Indemnitee claim pursuant to Article 9, such portion shall be released to the Series F Holders pro rata to their interests therein.

(d) Release to Parent Indemnitees. Assets held in the General Escrow or in Behrman Escrow with respect to a good faith claim of any Parent Indemnitee shall be released to such Parent Indemnitee upon the earlier of (x) the 20th business day after delivery by a Buyer Indemnitee of a written claim for indemnification under Section 9.01 if the Stockholder Representative has not delivered to the Buyer a written notice of objection to such claim by such day, (y) the date of a written agreement between the Stockholders' Representative and such Buyer Indemnitee establishing the amount of such claim to be indemnified and (z) a final and binding adjudication of such claim for indemnification, in each case in accordance with the provisions of the Escrow Agreement. Assets held in the General Escrow after each such release to a Parent Indemnitee subsequent to the date on which the release contemplated by Section 2.05(c) has been made (or would have been made but for the existence of claims by Parent Indemnitees) that are not otherwise subject to a good faith claim for indemnification by a Parent Indemnitee shall be released to the Series F Holders pro rata to their interests therein.

(e) Special Escrow. The Special Escrow shall be delivered to the Escrow Agent for the sole purpose of securing the indemnification obligations of the Series F Holders under Section 9.01(d). Assets held in the Special Escrow shall be released to Parent upon the earlier of (x) the 20th business day after delivery by a Buyer Indemnitee of a written claim for indemnification under Section 9.01(d) if the Stockholders' Representative has not delivered to the Buyer a written notice of objection to such claim by such day, (y) the date of a written agreement between the Stockholder Representative and such Buyer Indemnitee establishing the amount of such claim to be indemnified and (z) a final and binding adjudication of such claim for indemnification, in each case in accordance with the provisions of the Escrow Agreement. Assets held in the Special Escrow after each such release to a Parent Indemnitee that are not otherwise subject to a good faith claim for indemnification by a Parent Indemnitee shall be released to the Series F Holders pro rata to their interests therein.

(f) Behrman Escrow. The Behrman Escrow shall be delivered to the Escrow Agent for the sole purpose of securing the indemnification obligations of Behrman and SEF under Sections 9.01(a) and 9.01(d). Amounts remaining in the Behrman Escrow shall be released to Behrman and SEF, pro rata to their interests therein, on the later of (i) the date

on which all remaining assets in the General Escrow have been released to the Series F Holders pursuant to either (x) Section 2.05(c) or (y) the final sentence of Section 2.05(d) and (ii) the date on which all remaining assets in the Special Escrow have been released to the Series F Holders pursuant to the final sentence of Section 2.05(e).

(g) Notices to Escrow Agent. Parent and the Stockholders' Representative shall give all such notices to Escrow Agent as are necessary or appropriate to effect the provisions of this Section 2.05.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Acquisition Sub that:

SECTION 3.01. Organization and Qualification; Subsidiaries. Each of the Company and each subsidiary of the Company (a "Subsidiary") is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation and has the requisite power (corporate or otherwise) 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 organized, existing or in good standing or to have such power and authority would not, individually or in the aggregate, be reasonably likely to have a Company Material Adverse Effect. The Company and each Subsidiary is duly qualified or licensed as a foreign corporation (or other business entity) to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for any failure to be so qualified or licensed and in good standing that would not, individually or in the aggregate, be reasonably likely to have a Company Material Adverse

Effect. A true and complete list of all the Subsidiaries, together with the jurisdiction of incorporation or formation of each Subsidiary, the ownership of the outstanding capital stock or other equity interests of such Subsidiary and the percentage of the outstanding capital stock or other equity interests of each Subsidiary owned by the Company and each other Subsidiary, is set forth in Schedule 3.01 of the separate Disclosure Schedule previously delivered by the Company to Parent (the "Company Disclosure Schedule"). Except as disclosed in such Schedule 3.01, the Company does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity. The Company wholly owns, directly or indirectly, and has full voting and disposition power over all of the equity interests of each of its Subsidiaries. No stock appreciation rights, phantom stock, profit participation or other similar rights with respect to any Subsidiary or any capital stock of any Subsidiary are authorized or outstanding.

SECTION 3.02. Certificate of Incorporation and By-laws. The Company has heretofore furnished to Parent (i) a complete and correct copy of the Certificate of Incorporation and the By-laws or equivalent organizational documents, each as amended to date, of the Company and each Subsidiary; (ii) the minute books of the Company and each

Subsidiary (which contain complete and accurate records of all meetings and accurately reflect all other corporate action of the stockholders and board of directors (including committees thereof) of the Company and its Subsidiaries) and (iii) the stock certificate books and stock transfer ledgers of the Company and its Subsidiaries. Each such Certificate of Incorporation, By-laws and equivalent organizational documents is in full force and effect. Neither the Company nor any Subsidiary is in violation of any provision of its Certificate of Incorporation, By-laws or equivalent organizational documents.

SECTION 3.03. Capitalization. As of the date hereof, the authorized capital stock of the Company consists of (i) 200,000,000 shares of Daleen Common Stock, $0.01 par value per share, of which 46,929,372 shares are issued and outstanding as of the date hereof; and (ii) 21,877,236 shares of Preferred Stock, $0.01 par value per share, of which (A) 3,000,000 shares are designated as Series A Convertible Preferred Stock (with no shares issued and outstanding); (B) 1,250,000 shares are designated as Series B Convertible Preferred Stock (with no shares issued and outstanding); (C) 1,222,222 shares are designated as Series C Convertible Preferred Stock (with no shares issued and outstanding); (D) 4,221,846 shares are designated as Series D Convertible Preferred Stock (with no shares issued and outstanding); (E) 686,553 shares are designated as Series D-1 Convertible Preferred Stock (with no shares issued and outstanding); (F) 1,496,615 shares are designated as Series E Convertible Preferred Stock (with no shares issued and outstanding); and (G) 588,312 shares are designated as Series F Preferred Stock (with 449,237 shares issued and outstanding as of the date hereof). Set forth on Schedule 3.03 is a description of the grant date, number of shares available under, strike or exercise price and holder of each outstanding grant of Company Options or any other rights to acquire Shares pursuant to the Company Stock Option Plans. Each grant of Company Stock Options or other rights to acquire Common Stock under any of the Company Stock Option Plans is evidenced by a Stock Option Agreement, each in the form previously provided to the Parent. Except for rights to acquire Common Stock under the

Company Stock Option Plans as set forth in this Section 3.03 and for the warrants set forth on Schedule 3.03 (which sets forth the holders of record of such securities), there are no options, warrants or other rights, agreements, arrangements or commitments of any character relating to the issued or unissued capital stock of the Company or any Subsidiary or obligating the Company or any Subsidiary to issue or sell any shares of capital stock of, or other equity interests in, the Company or any Subsidiary. All of the issued and outstanding Shares have been duly authorized and are validly issued, fully paid, nonassessable and were not issued in violation of any preemptive rights or comparable rights of any Person to acquire such shares. All Shares subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable. Except as contemplated by this Agreement and as set forth on Schedule 3.03, there are no outstanding commitments, agreements, proxies, voting trusts, arrangements or undertakings of any kind to which the Company or any of its Subsidiaries is a party or by which any of them is bound obligating the Company or any of its Subsidiaries to dispose or vote any shares of capital stock or other equity securities of the Company or of any of its Subsidiaries and the Company is not bound by any debt agreements or instruments which grant any rights to vote (contingent or otherwise) on matters on which shareholders of the Company may vote. Except as set forth on

Schedule 3.03, there are no outstanding contractual obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any Shares or any capital stock of or any equity interests in, any Subsidiary. Except as set forth on Schedule 3.03, each outstanding share of capital stock or other equity interest of each Subsidiary is duly authorized, validly issued, fully paid and nonassessable and each such share or other equity interest owned by the Company or any Subsidiary is free and clear of all security interests, liens, claims, pledges, options, rights of first refusal, agreements, limitations on the Company's or such other Subsidiary's voting rights, charges and other encumbrances of any nature whatsoever.

SECTION 3.04. Authority Relative to This Agreement. The Company has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated hereby. The execution and delivery of this Agreement by the Company and the consummation by the Company of the Merger and the other transactions contemplated hereby have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the Merger (other than, with respect to the Merger, the stockholder approvals described in Section 3.20 and the filing and recordation of appropriate merger documents as required by the DGCL) and the other transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent and Acquisition Sub, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

SECTION 3.05. No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company will not (i) conflict with

or violate the Certificate of Incorporation or By-laws or equivalent organizational documents of the Company or any Subsidiary; (ii) conflict with or violate any domestic (federal, state or local) or foreign law, rule, regulation, order, judgment or decree (collectively, "Laws") applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary is bound or affected, except for such conflicts or violations which would not, individually or in the aggregate, be reasonably likely to result in a Company Material Adverse Effect or impair the ability of the Company to perform its obligations under this Agreement in any material respect; (iii) result in a conflict with, a breach or violation of, a default under (or an event which with notice or lapse of time or both would become a default) or the triggering of any payment or other material obligations to any of the Company's or any of its Subsidiaries' present or former employees pursuant to any of the Company's or any of its Subsidiaries' existing employee benefit plans (as set forth in Section 3.11) or any grant or award made under any of the foregoing, other than the accelerated vesting of options under any of the Company Stock Option Plans, or (iv) except as specified in Schedule 3.05(a), result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the

creation of a lien or other encumbrance on any property or asset of the Company or any Subsidiary pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any property or asset of the Company or any Subsidiary is bound or affected, except for any such breaches, defaults or other occurrences which would not, individually or in the aggregate, have or reasonably be expected to result in a Company Material Adverse Effect.

(b) None of the execution or delivery or performance of this Agreement by the Company, the consummation by the Company of the Merger or the other transactions contemplated hereby, compliance by the Company with any of the provisions of this Agreement or the performance of this Agreement by the Company do or will require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) (A) for applicable requirements, if any, of the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"), including the SEC Transaction Filings, (B) such filings and approvals as may be required by any applicable state securities, blue sky or takeover laws, and (C) the filing and recordation of appropriate merger documents as required by the DGCL; (ii) as specified in Schedule 3.05(b); and (iii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not by the terms of the applicable requirement prevent or delay consummation of the Merger or any other transaction contemplated hereby, would not, individually or in the aggregate, have or reasonably be expected to have a Company Material Adverse Effect and would not impair the ability of the Company to perform its obligations under this Agreement in any material respect.

SECTION 3.06. Permits. Except as set forth on Schedule 3.06-1, the Company and each Subsidiary is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders necessary for the Company and each Subsidiary to own, lease and operate its properties or to carry on its business as it is

now being conducted (the "Company Permits"), and no suspension or cancellation of any of the Company Permits is pending or, to the knowledge of the Company, threatened, except where the failure to have, or the suspension or cancellation of, any of the Company Permits would not, individually or in the aggregate, have or reasonably be expected to have a Company Material Adverse Effect. Set forth on Schedule 3.06-2 is a list of those Company Permits, the loss or suspension of any of which could, individually or in the aggregate, have or reasonably be expected to have a Company Material Adverse Effect. Neither the Company nor any Subsidiary is in conflict with, or in default or violation of, (i) any Laws, including the Foreign Corrupt Practices Act and related regulations, applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary is bound or affected; (ii) any of the Company Permits; or (iii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any property or asset of the Company or any Subsidiary is bound or affected, except for any such conflicts, defaults or violations that would not, individually or in the aggregate, have or reasonably be expected to have a Company Material Adverse Effect.

SECTION 3.07. SEC Filings; Financial Statements.

(a) The Company has filed all forms, reports and documents required to be filed by it with the SEC since December 31, 2001 (the "SEC Filings"), and has heretofore made available to Parent, in the form filed with the SEC and as amended prior to the date hereof, (i) its Annual Report on Form 10-K for the fiscal year ended December 31, 2003; (ii) all proxy statements relating to the Company's meetings of stockholders (whether annual or special) held since January 1, 2003; and (iii) all other forms, reports and other registration statements filed by the Company with the SEC since January 1, 2003 (the forms, reports and other documents referred to in clauses (i), (ii) and (iii) above being referred to herein, collectively, as the "Company SEC Reports"). As of their respective dates, the SEC Filings (i) were prepared in accordance with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations thereunder including, without limitation, those amendments to the federal securities laws effected by, and those regulations adopted in accordance with, the Sarbanes-Oxley Act of 2002 to the extent applicable thereto; (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (iii) did not omit any documents required to be filed as exhibits thereto. No Subsidiary is required to file any form, report or other document with the SEC.

(b) Each of (a) the consolidated financial statements (including, in each case, any notes thereto) contained in the SEC Filings and (b) the unaudited balance sheet of the Company attached as Exhibit C hereto (the "Interim Balance Sheet") was prepared in accordance with GAAP (except as may be indicated in the notes, if any, thereto), and each fairly presented the consolidated financial position, results of operations and cash flows of the Company and the consolidated Subsidiaries as of the respective dates thereof and for the respective periods indicated therein in accordance with GAAP (subject, in the case of unaudited statements, to the absence of notes thereto and to normal and recurring quarter-end adjustments which were not material in amount).

(c) With respect to each Annual Report on Form 10-K and each Quarterly Report on Form 10-Q included in the Company SEC Reports, the financial statements and other financial information included in such reports fairly present (within the meaning of the Sarbanes-Oxley Act of 2002) in all material respects the consolidated financial condition and results of operations of the Company and its Subsidiaries as of, and for, the periods presented in the Company SEC Reports. The reports of the Company's independent auditors regarding the Company's consolidated financial statements in the SEC Filings have not been withdrawn, supplemented or modified, and none of the Company or any of its Subsidiaries has received any communication from its independent auditors concerning any such withdrawal, supplement or modification.

(d) The Company's principal executive officer and its principal financial officer have disclosed, based on their most recent evaluation, to the Company's auditors and the audit committee of the Board of Directors of the Company (i) all significant deficiencies in

the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

(e) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-14 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company, including its consolidated Subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the exchange Act are being prepared; and, to the Company's knowledge, such disclosure controls and procedures are effective in timely alerting the Company's principal executive officer and its principal financial officer to material information required to be included in the Company's periodic reports required under the Exchange Act.

(f) Except as and to the extent set forth on the consolidated balance sheet of the Company and the consolidated Subsidiaries as of December 31, 2003, including the notes thereto (the "Company 2003 Balance Sheet"), neither the Company nor any Subsidiary has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) required by GAAP to be set forth on a consolidated balance sheet of the Company and its Subsidiaries, except for liabilities and obligations (i) disclosed in any Company SEC Report; (ii) incurred since December 31, 2003 in the Ordinary Course; (iii) incurred in connection with the filing of the Company's preliminary proxy statement of January 28, 2004 relating to a proposed reverse stock split, or (iv) incurred pursuant to or as contemplated by this Agreement (including Company Transaction Expenses).

(g) The Company has heretofore made available to Parent complete and correct copies of all amendments and modifications that have not been filed by the Company with the SEC to all agreements, documents and other instruments that previously had been filed by the Company with the SEC and are currently in

effect, and has made available to Parent complete and unredacted copies of exhibits, if any, that were filed with any Company SEC Report in redacted form. Such amendments, modifications and agreements are identified on Schedule 3.07(g).

SECTION 3.08. Disclosure Documents. Neither the proxy statement relating to the special meeting of the Company's stockholders to approve the Merger and the other transactions contemplated hereby (the "Company Proxy Statement") nor the Company's Rule 13e-3 Transaction Statement on Schedule 13E-3 (the "13E-3" and, together with the Proxy Statement, the "SEC Transaction Filings") will, at the respective time any such SEC Transaction Filing (including any amendments or supplements thereto) is filed with the SEC, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. At the respective times when they are filed with the SEC, each SEC Transaction Filing (in each case, including any

amendments or supplements thereto) will comply as to form in all material respects with the applicable requirements of the Exchange Act, and the rules and regulations thereunder. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information supplied by Quadrangle, Behrman, SEF, Protek or any of their respective representatives for inclusion in any SEC Transaction Filing (including any amendments or supplements thereto).

SECTION 3.09. Absence of Certain Changes or Events. Since December 31, 2003, except as contemplated by this Agreement or any other Transaction Agreement or as disclosed in any Company SEC Report or set forth in Schedule 3.09, the Company and the Subsidiaries have conducted their businesses in the Ordinary Course and there has not been (a) any event or events having, or reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, (b) any revaluation by the Company of any asset (including, without limitation, any writing down of the value of inventory or writing off of notes or accounts receivable), other than in the ordinary course of business consistent with past practice, (c) any entry by the Company or any Subsidiary into any commitment or transaction except in the ordinary course of business and consistent with past practice, (d) any declaration, setting aside or payment of any dividend or distribution in respect of any capital stock of the Company or any redemption, purchase or other acquisition of any of its securities, (e) any split, combination or reclassification of any of its capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, (f) except insofar as may have been disclosed in the SEC Filings or required by a change in GAAP, any change in accounting methods, principles or practices, (g) any making or revocation of any material Tax elections or any settlement or compromises of any material federal, state, foreign or local Tax liability or any waivers or extensions of the statute of limitations in respect of such Taxes, (h) any making of loans, advances or capital contributions to, or investments in, any Person or payment of any fees or expenses to any of the Company's shareholders or any Affiliate of any of such shareholders; (i) any mortgage or pledge of any Lien of any of its assets, or acquisition of any assets or sale, assignment, transfer, conveyance, lease or other disposition of any assets of the Company or any Subsidiary, except for assets acquired or sold, assigned, transferred,

conveyed, leased or otherwise disposed of in the ordinary course of business, (j) any discharge or satisfaction of any Lien, or payment of any obligation or liability (fixed or contingent), except in the Ordinary Course and which, in the aggregate, would not be material to the Company and its Subsidiaries taken as a whole; (k) any cancellation or compromises of any debt or claim or amendment, cancellation, termination relinquishment, waiver or release of any contract or right except in the Ordinary Course and which, in the aggregate, would not be material to the Company and its Subsidiaries taken as a whole; (l) any material delay in making any capital expenditure for an approved capital project as set forth in the Company's budget in excess of $25,000 individually or $100,000 in the aggregate, or the making or commitment to make any capital expenditures or capital additions or betterments in excess of $100,000 individually or $250,000 in the aggregate; (m) any incurrence of any indebtedness for borrowed money in an amount in excess of $25,000 in the aggregate; (n) any grant of any license or sublicense of any rights under or with respect to any Intellectual Property, other than pursuant to customer contracts entered into in the Ordinary Course; (o) any institution or settlement of any material Legal

Proceeding; (p) other than pursuant to the contracts referred to in Section 3.11, any increase in or establishment of any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, stock option (including, without limitation, the granting of stock options, stock appreciation rights, performance awards, or restricted stock awards), stock purchase or other employee benefit plan, or any other increase in the compensation payable or to become payable to any officers or key employees of the Company or any Subsidiary, except for salary increases and benefit accruals in the Ordinary Course, or (q) any agreement to do anything set forth in this Section 3.09.

SECTION 3.10. Absence of Litigation. Except as disclosed in any Company SEC Report or as set forth in Schedule 3.10, there is no claim, action, proceeding, compliance review or investigation pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary, or any property or asset of the Company or any Subsidiary, before any court, arbitrator or Governmental Entity, which (a) individually or in the aggregate, is reasonably likely to have a Company Material Adverse Effect or to impair the Company's ability to consummate the transactions contemplated under this Agreement or (b) seeks to delay or prevent the consummation of the Share Exchange, the Merger or the other transactions contemplated hereby. Except as disclosed in any Company SEC Report or Schedule 3.10, as of the date, neither the Company nor any Subsidiary nor any property or asset of the Company or any Subsidiary is subject to any order, writ, judgment, injunction, decree, determination or award having or reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

SECTION 3.11. Employee Benefit Plans.

(a) "Plans" means all severance, benefit, deferred compensation, incentive compensation, stock option, stock purchase and other equity, retirement, bonus, welfare benefit and other employee benefit plans, programs, agreements, policies and arrangements providing benefits to any present or former director, officer or employee of the Company or any of its Subsidiaries, or any beneficiary or dependent of any such person, to which the Company or any of its Subsidiaries or ERISA Affiliates contributes or is obligated to

contribute or has any liability (contingent or otherwise). Without limiting the generality of the foregoing, the term "Plans" includes all employee welfare benefit plans within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder ("ERISA") and all employee pension benefit plans within the meaning of Section 3(2) of ERISA. An ERISA Affiliate means, with respect to the Company, any corporation, person or trade or business which is a member of the group which is under common control with the Company, and which together with the Company is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code. "Controlled Group Liability" means any and all liabilities (contingent or otherwise) of the Company and any of its ERISA Affiliates (i) under Title IV of ERISA, (ii) under Section 302 of ERISA, (iii) under Sections 412 and 4971 of the Code, (iv) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code, and (v) under corresponding or similar provisions of foreign laws or regulations.

(b) Schedule 3.11 includes a complete list of each material Plan. With respect to each Plan, the Company has made available to Parent a true, correct and complete copy of (if applicable): (i) all plan documents, benefit schedules, trust agreements, and insurance contracts and other funding vehicles; (ii) the most recent summary including but not limited to the most recent Annual Report (Form 5500 Series) and accompanying schedule, if any; (iii) the current summary plan description, if any; (iv) the most recent annual financial report, if any; (v) the most recent actuarial report, if any; and (vi) the most recent determination letter from the Internal Revenue Service (the "IRS"), if any.

(c) Except as has not had, or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the Company and each of its Subsidiaries has complied, and is now in compliance, with all provisions of ERISA, the Code and all laws and regulations applicable to the Plans.

(d) Except as has not had, or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, all contributions required to be made to any Plan, and all premiums due or payable with respect to insurance policies funding any Plan, have been made within the earliest time prescribed by in a timely manner in accordance with the requirements of any such plan, agreement or law. There does not now exist, nor, to the knowledge of the Company, do any circumstances exist that could reasonably be expected to result in, any Controlled Group Liability that would be a liability of the Company or its Subsidiaries, which has or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, following the Effective Time.

(e) Except as has not had, or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) as of the date hereof, each Plan that is subject to Section 302 of ERISA and Section 412 of the Code meets the minimum funding standards of Section 302 of ERISA and Section 412 of the Code (without regard to any funding waiver); and (ii) as of the date hereof, neither the Company nor any of its Subsidiaries is required to provide security to such Plan pursuant to Section 307 of ERISA or Section 501(a)(29) of the Code and no condition exists that could reasonably be expected to result in the Company or any ERISA Affiliate to provide such security.

(f) No Plan is a multiemployer plan, as defined in Section 3(37) of ERISA. Except as has not had, or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, no claims are pending or, to the knowledge of the Company, threatened or anticipated against the Plans, or the Company or any of its Subsidiaries with respect to the Plans, except for benefit payments in the normal course of business. No Plan provides benefits to current or former employees, beneficiaries, or dependents of the Company or its Subsidiaries which continue after termination of employment, other than as required by Section 601 et seq. of ERISA.

(g) Except as set forth in Schedule 3.11, the consummation of the transactions contemplated in this Agreement will not, either alone or in combination with another event, (i) entitle any current or former employee or officer of the Company or any of its ERISA Affiliates to any severance benefit or any other payment or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee or officer or result in an obligation to fund to a trust or otherwise any compensation or benefits of any such employee or officer.

(h) None of the Company or any Subsidiary has incurred any material liability for any Tax or penalty imposed by section 4975 of the Code or section 502(i) of ERISA. None of the Company or any Subsidiary has withdrawn at any time within the preceding six years from any multiemployer plan, as defined in section 3(37) of ERISA. With respect to each Plan that is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code, each such Plan is so qualified, and, to the knowledge of the Company, nothing has occurred or is expected to occur that would adversely affect the qualified status of such Plan or any related trust.

SECTION 3.12. Labor Matters. Neither the Company nor any Subsidiary is a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company or any Subsidiary, and since January 1, 2000 there has not occurred any strike, work stoppage or union organizing effort and, to the knowledge of the Company, no such action is threatened or contemplated.

SECTION 3.13. Personal Property, Real Property and Leases.

(a) Schedule 3.13 sets forth a list of all real property owned, leased or used by the Company or any Subsidiary since January 1, 2002, and separately identifies that which is or has been owned and that which is or has been leased or otherwise used. The Company and the Subsidiaries have sufficient title or leasehold interests to all their properties and assets to conduct their respective businesses as currently conducted or as contemplated to be conducted, with only such exceptions as, individually or in the aggregate, would not have or reasonably be expected to have a Company Material Adverse Effect.

(b) All leases of real property leased for the use or benefit of the Company or any Subsidiary to which the Company or any Subsidiary is a party, and all amendments and modifications thereto are in full force and effect and have not been modified or amended, and there exists no default under any such lease by the Company, any Subsidiary, or, to the knowledge of the Company, by any other party thereto (nor, to the knowledge of the Company, is there any default

by the sublessor under the sublease set forth on Schedule 3.13), nor any event which with notice or lapse of time or both would constitute a default thereunder by the Company or any Subsidiary or, to the knowledge of the Company, by any other party thereto.

SECTION 3.14. Intellectual Property.

(a) "Company Intellectual Property" means all trademarks, trademark rights, trade names, trade name rights, patents, patent rights, industrial models, inventions, copyrights, servicemarks, trade secrets, know-how, computer software programs, applications and other proprietary rights and information used or held for use in connection with the business of the Company and the Subsidiaries as currently conducted, together with all applications currently pending for any of the foregoing.

(b) Except as set forth in Schedule 3.14-b, the Company and the Subsidiaries own or have legally enforceable rights to use all of the Company Intellectual Property, and there is no assertion or claim (or basis therefor) challenging the validity of the Company's ownership of, or right to use, any Company Intellectual Property.

(c) Except as set forth on Schedule 3.14-c, the Company is not party to any license or other agreement pursuant to which it has the right to use any Company Intellectual Property utilized in connection with any product or process of the Company or any of its Subsidiaries.

(d) Except as set forth on Schedule 3.14-d, there are no pending or, to the knowledge of the Company, threatened interferences, re-examinations, oppositions or nullities involving any patents, patent rights or applications therefor of the Company or any Subsidiary that, individually or in the aggregate, would have or reasonably be expected to have a Company Material Adverse Effect.

(e) All employees of the Company have executed confidentiality and invention assignment agreements substantially in the forms previously delivered to the Parent except as set forth on Schedule 3.14-e. None of the employees of the Company maintains any proprietary interest in Company Intellectual Property, other than an indirect interest by virtue of his or its equity interest in the Company.

(f) Except as set forth in Schedule 3.14-f, the operation of the business of the Company and its Subsidiaries as such businesses currently are conducted does not infringe or misappropriate the intellectual property of any third party or constitute unfair competition or trade practices under the laws of any jurisdiction.

(g) Except as disclosed in Schedule 3.14-g, to the knowledge of the Company there are no infringements by third parties of any Company Intellectual Property which, individually or in the aggregate, have or would reasonably be expected to have a Company Material Adverse Effect.

(h) Other than pursuant to license agreements entered into in the Ordinary Course, neither the Company nor any Subsidiary has licensed or otherwise permitted the use by any third party of any Company Intellectual

Property.

SECTION 3.15. Taxes. (a) Except as described in Schedule 3.15(a), or as reflected or reserved against in the the Interim Balance Sheet, (i) the Company and each Subsidiary have filed all federal and all other material state, local and foreign Tax Returns, reports and declarations heretofore required to be filed by such entity on or prior to the

Closing Date, and all such Tax Returns are true, correct and complete in all material respects, (ii) all Taxes due by the Company or any of its Subsidiaries have been timely paid in full or adequately reserved for in the Interim Balance Sheet in accordance with GAAP, as such reserves may be adjusted for the passage of time and transactions occurring in the Ordinary Course through the Closing Date in accordance with the past practice and custom of the Company and its Subsidiaries in filing their Tax Returns, and (iii) no claim for assessment and collection of Taxes in respect of their respective businesses is being asserted against the Company or any Subsidiary. The Company and the Subsidiaries have withheld or collected and paid over to the appropriate Governmental Entities or are properly holding for such payment all Taxes required by law to be withheld or collected. There are no liens for Taxes upon the assets of the Company or the Subsidiaries, other than liens for Taxes that are being contested in good faith by appropriate proceedings (each of which is described on Schedule 3.15).

(b) Except as set forth in Schedule 3.15(b), neither the Company nor any of its Subsidiaries has (i) been notified in writing that any Tax Return is currently under audit by the IRS or any state or local taxing authority or that it intends to conduct such an audit and no action, suit, investigation, claim or assessment is pending or, to the knowledge of the Company, proposed with respect to any Taxes; (ii) made any agreement for the extension of time or the waiver of the statute of limitations for the assessment, collection or payment of any Taxes; or (iii) executed any power of attorney with respect to any Tax matter that is currently in force.

(c) Neither the Company nor any of its Subsidiaries has any liability for Taxes as a result of Section 1.1502-6 of the Treasury Regulations or any comparable provision of state, local or foreign law (other than as a result of being in a group of which the Company is the common parent). The Company is not a United States real property holding corporation ("USRPHC") and was not a USRPHC on any "determination date" (as defined in Section 1.897-2(c) of the Treasury Regulations) that occurred in the five-year period preceding the Closing Date.

(d) Except as set forth in Schedule 3.15(f), no written claim has been made by a taxing authority in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns to the effect that such entity is or may be subject to taxation by that jurisdiction.

(e) Parent has been provided or given access to (i) all federal and other material income Tax Returns of the Company and its Subsidiaries for all taxable periods ending on or after December 31, 2001 and (ii) all United States revenue agents' reports and other similar reports relating to the audit or examination of the Tax Returns of the Company and its Subsidiaries for all taxable periods ending on or after December 31, 2001.

(f) Neither the Company nor any other Person (including any of its Subsidiaries) on behalf of the Company or any of its Subsidiaries has (i) agreed to or are required to make any adjustments pursuant to Section 481(a) of the Code or any similar provision of state, local of foreign law by reason of a change in accounting method or has any knowledge that

the IRS has proposed any such adjustment or change in accounting method, or has any application pending with any taxing authority requesting permission for any changes in accounting methods that relate to the business or operations of the Company or any of its Subsidiaries, or (ii) filed a consent pursuant to Section 341(f) of the Code or agreed to have Section 341(f)(2) of the Code apply to the disposition of a subsection (f) asset (as such term is defined in Section 341(f) of the Code) owned by the Company or any of its Subsidiaries.

(g) Except as set forth in Schedule 3.15(g), neither the Company nor any of its Subsidiaries is a party to (i) any tax sharing or similar agreement or arrangement (whether or not written) pursuant to which they will have any obligation to make any payment after the Closing, (ii) any agreement that could obligate it to make any payment in connection with the transactions contemplated by this Agreement that will not be deductible by the Company or any of its Subsidiaries by reason of Section 280G of the Code, (iii) a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to the Company or any of its Subsidiaries or (iv) otherwise bound by any private letter ruling of the IRS or comparable rulings or guidance issued by any other taxing authority.

(h) Neither the Company nor any of its Subsidiaries (i) has constituted either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (x) in the two years prior to the date of this Agreement or (y) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement or (ii) is or was a member of any consolidated, combined, unitary or affiliated group of corporations that filed or was required to file a consolidated, combined or unitary Tax Return, other than the group of which it is now a member.

SECTION 3.16. Environmental Matters.

(a) For purposes of this Agreement, the following terms shall have the following meanings: (i) "Hazardous Substances" means (A) those substances defined in or regulated under any of the following U.S. federal statutes and their state or foreign counterparts, as each may be amended from time to time, and all regulations thereunder: the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Marine Protection, Research and Sanctuaries Act, the Atomic Energy Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Occupational Health and Safety Act and the Clean Air Act; (B) petroleum and petroleum products including crude oil and any fractions thereof; (C) natural gas, synthetic gas, and any mixtures thereof; (D) radon; (E) asbestos; (F) any other pollutant or contaminant; and (G) any substance with respect to which a federal, state or local agency requires environmental

investigation, monitoring, reporting or remediation; (ii) "Environmental Laws" means any U.S. or foreign federal, state or local law relating to (A) releases or threatened releases of Hazardous Substances or materials containing

Hazardous Substances; (B) the manufacture, handling, transport, use, treatment, management, storage or disposal of, or exposure to, Hazardous Substances or materials containing Hazardous Substances; or (C) otherwise relating to pollution of the environment or the protection of human health; and (iii) "Release" means spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into the environment, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Substance.

(b) Except as disclosed in the Company SEC Reports, on Schedule 3.16 or as has not had, or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) there has been no Release of Hazardous Substances on any real property currently owned, leased or operated by the Company or any of its Subsidiaries that would require a remedial action under applicable Environmental Law and no real property currently owned, leased or operated by the Company or any Subsidiary thereof is contaminated with any Hazardous Substances in a manner which would require a remedial action under Environmental Law; (ii) no judicial or administrative proceeding, order, judgment, decree or settlement is pending or, to the knowledge of the Company, threatened against the Company or its Subsidiaries relating to alleged violations of or potential liabilities under Environmental Laws; and (iii) since December 31, 2001, the Company and its Subsidiaries have not received in writing any claims, notices or correspondence alleging liability under any Environmental Law from any Governmental Entity. No facts, circumstances or conditions exist with respect to the Company, its operations or any real property currently or formerly owned, operated or leased by the Company that could reasonably be expected to result in the Company incurring liabilities under Environmental Laws.

SECTION 3.17. Material Contracts and Government Contracts.

(a) The exhibit tables to the Company SEC Reports and Schedule 3.17(a) collectively set forth a list of all contracts and agreements (including, without limitation, oral and informal arrangements, and modifications, amendments and waivers of any of the foregoing) which either (a) are material as such term is used in Item 601 of Regulation S-K under the Securities Act, (b) are contracts which in the year ended December 31, 2003 generated, or are expected to generate in any fiscal year thereafter, revenues in excess of $250,000, (c) are contracts which in the year ended December 31, 2003 required payments by the Company or any subsidiary, or are expected to require payments in any fiscal year thereafter, of in excess of $250,000, or (d) are of a type described below:

(i) any partnership, limited liability company, joint venture or other similar agreement or arrangement;

(ii) any franchise agreements;

(iii) any agreement that limits (or would limit after the date hereof) the freedom or ability of the Company or any of its

Subsidiaries to compete in any material manner in any line of business or in any geographic area; and

(iv) any agreement or arrangement with (A) any present or former officer or director of the Company or any of its Subsidiaries or any of their immediate family members (including their spouses), (B) any record or beneficial owner of five percent or more of the Shares, or (C)any Affiliate of any such director, officer, family member, or beneficial owner

(collectively, the "Material Contracts").

(b) Each Material Contract, is a legal, valid and binding agreement, and none of the Company, any Subsidiary or, to the knowledge of the Company, any other party thereto is in default under any Material Contract; neither the Company, nor any Subsidiary is in default under any Material Contract; and none of the Company or any of the Subsidiaries anticipates any termination or change to, or receipt of a proposal with respect to, any of the Material Contracts as a result of the Share Exchange, the Merger or otherwise. Except as disclosed in Schedule 3.17(b), the Company has furnished Parent with true and complete copies of all Material Contracts, together with all amendments, waivers, or other changes thereto. At the Effective Time, the Long Term Incentive Plan shall have been terminated and shall be void and of no further effect.

SECTION 3.18. Opinion of Financial Advisor. The Company's Board of Directors has received the opinion of Valuation Research Corporation ("VRC") on or prior to the date of this Agreement, addressed to the Special Committee of the Board of Directors and for the benefit of the Board of Directors and the Company's stockholders, to the effect that, as of the date of such opinion, the consideration to be received pursuant to the Merger is fair to the holders of Daleen Common Stock and of Daleen Series F Preferred Stock from a financial point of view, a copy of which opinion has been or will promptly after receipt thereof by the Company be delivered to Parent.

SECTION 3.19. Board Approval; Certain Anti-Takeover Provisions Not Applicable.

(a) Subject to Section 6.05, the Board of Directors of the Company, at a meeting duly called and held has unanimously adopted resolutions (i) approving and declaring advisable this Agreement, the Voting Agreements, the Share Exchange, the Merger and the other transactions contemplated hereby, (ii) declaring that it is in the best interests of the Company's stockholders that the Company enter into this Agreement and consummate the Merger and the other transactions contemplated hereby on the terms and subject to the conditions set forth in this Agreement (as it may be amended from time to time), (iii) recommending that the Company's stockholders approve and adopt this Agreement and approve the Merger contemplated hereby, and (iv) approving the acquisition of Shares by Parent in the Share Exchange and the other transactions contemplated by this Agreement, including for purposes of Section 203 of the DGCL.

(b) No state takeover statute (including, without limitation, Section 203 of the DGCL), other than those with which this Agreement complies, applies or purports to apply

to the Share Exchange, the Merger, this Agreement or the Voting Agreements, or any of the transactions contemplated hereby or thereby. The Company does not, and as of the Closing and the Effective Time will not, have a stockholder rights plan or "poison pill."

SECTION 3.20. Votes Required. Approval of the Merger will require the affirmative vote of the holders of a majority of the votes represented by all shares of Daleen Common Stock and Daleen Series F Preferred Stock outstanding as of the record date for the Company Stockholders' Meeting (with each share of Daleen Series F Preferred Stock being entitled to 100 votes in connection therewith). In addition, consummation of the Merger in accordance with the terms of this Agreement will require the affirmative vote or written consent of the holders of a majority of the shares of Series F Preferred Stock in favor of the waiver of the mandatory redemption rights of the Series F Preferred Stock in connection with the Merger. The foregoing votes and consents are the only votes or consents of the holders of any class or series of capital stock of the Company necessary to approve the Merger.

SECTION 3.21. Brokers. No broker, finder, investment banker or other person (other than the Persons set forth on Schedule 3.21, whose fees and expenses are deemed Company Transaction Expenses) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company or any Subsidiary. The Company has heretofore furnished to Parent a complete and correct copy of all agreements between the Company and the Persons set forth on Schedule 3.21 pursuant to which such Persons would be entitled to any payment relating to the transactions contemplated by this Agreement.

SECTION 3.22. Customers. Schedule 3.22 sets forth the ten (10) largest customers of the Company, each ranked by revenue, for the most recent fiscal year. Except as set forth on Schedule 3.22 or as set forth in the Company SEC Reports, no customer named on Schedule 3.22 has cancelled, otherwise terminated or materially curtailed, or, to the knowledge of the Company, threatened to cancel, otherwise terminate or materially curtail its relationship with the Company.

SECTION 3.23. Certain Payments. Neither the Company nor any Subsidiary or any director, officer, agent or employee of the Company or any Subsidiary, or any other entity associated with or acting for or on behalf of the Company or any Subsidiary, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any entity, private or public, regardless of form, whether in money, property or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Company, any Subsidiary or any affiliate of the Company or any Subsidiary or (iv) in violation of any federal, state, territorial, local or foreign law, statute, rule or regulation or (b) established or maintained any fund or asset that has not been recorded in the books and records of the Company or any Subsidiary.

SECTION 3.24 Insurance. Schedule 3.24 sets forth a correct and complete list of all material insurance policies (including information on the premiums payable in connection therewith and the scope and amount of the coverage provided thereunder) maintained by the Company or any of its Subsidiaries (the "Policies"). The Policies provide coverage for the operations conducted by the Company and its Subsidiaries of a scope and coverage consistent with customary practice in the industries in which the Company and its Subsidiaries operate. Except for the termination of the Company's current director and officers liability policy, which is the subject of the Parent's covenants in Section 6.06 and except as set forth in Schedule 3.24, the consummation of the Merger will not, in and of itself, cause the revocation or cancellation of any Policy except for such revocations or cancellations which have not had and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 3.25 Title to Properties. The Company and each of its Subsidiaries (i) has good and marketable title to all properties and other assets which are reflected on the 2003 Company Balance Sheet as being owned by the Company or one of its Subsidiaries (or acquired after the date hereof) except (x) statutory liens securing payments not yet due, (y) security interests, mortgages and pledges that are disclosed in the SEC Reports that secure (a) the indebtedness under the Silicon Valley Bank Revolving Loan Facility or (b) indebtedness that is reflected in the most recent consolidated financial statements in the SEC Reports and (z) such other imperfections or irregularities of title or other Liens that, individually or in the aggregate, do not and could not reasonably be expected to have a Company Material Adverse Effect, (ii) has a valid leasehold interest in all leasehold interests set forth on Schedule 3.13, and (iii) is the lessee or sublessee of all leasehold estates and leasehold interests set forth on Schedule 3.13.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND ACQUISITION SUB

Parent and Acquisition Sub hereby, jointly and severally, represent and warrant to the Company that:

SECTION 4.01 Organization and Qualification; Subsidiaries. Each of Parent and Acquisition Sub is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the requisite 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 organized, existing or in good standing or to have such power and authority would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. Each of Parent and Acquisition Sub is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the

nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not, individually or in the aggregate, reasonably be expected to have a Parent

Material Adverse Effect.

SECTION 4.02. Certificate of Incorporation and By-laws; Capitalization. Parent has heretofore furnished to the Company a complete and correct copy of the Certificate of Incorporation and the By-laws, each as amended to date, of Parent and Acquisition Sub. Such Certificates of Incorporation and By-laws are in full force and effect. Neither Parent nor Acquisition Sub is in violation of any provision of its Certificate of Incorporation or By-laws. As of the Closing, the Certificate of Incorporation and Bylaws of Parent shall be as described in the Investment Agreement. Immediately after Closing, the issued shares of capital stock of Parent shall consist solely of (a) the shares of Parent PIK Preferred and Parent Common Stock to be issued under this Agreement, (b) 300,000 shares of Parent Series A PIK Preferred to be issued to Quadrangle, Behrman and SEF under the Investment Agreement, (c) [200,000 less Converting Optionholder shares subject to new options] shares of Parent Common Stock to be issued under the Protek Agreement, (d) shares of Parent Common Stock subject to options to be granted under the Management Incentive Plan of Parent and under the Protek Agreement, and (e) 100 shares of Parent's Junior Preferred Stock. Except as set forth in this Agreement, the Investment Agreement and the Protek Agreement, no equity securities are required to be issued by Parent or Acquisition Sub by reason of any currently existing or contemplated options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any securities of Parent or Acquisition Sub, as applicable, and there are no Contracts, commitments, understandings, or arrangements by which Parent or Acquisition Sub is bound to issue additional respective securities, or options, warrants or rights to purchase or acquire any additional respective securities. Except as set forth on Schedule 4.02, Parent is not a party or subject to any agreement or understanding, nor, to the knowledge of Parent, is there any agreement or understanding between any persons that affects or relates to the voting or giving of written consents with respect to any security or the voting by a director of Parent. Upon issuance, each share of Parent PIK Preferred and Parent Common Stock to be issued under this Agreement will have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of this Agreement, will be duly and validly issued, fully paid, and nonassessable and will be free of restrictions on transfer other than restrictions on transfer under the Stockholders Agreement and under applicable state and federal securities laws.

SECTION 4.03. Authority Relative to this Agreement. Each of Parent and Acquisition Sub has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Share Exchange, the Merger and the other transactions contemplated hereby. The execution and delivery of this Agreement by Parent and Acquisition Sub and the consummation by Parent and Acquisition Sub of the Share Exchange, the Merger and the other transaction contemplated hereby have been duly and validly authorized by all necessary corporate action, and no other corporate proceedings on the part of Parent or Acquisition Sub are necessary to authorize this Agreement or to consummate the Share Exchange, the Merger or the other transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by

Parent and Acquisition Sub and, assuming due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each of Parent and Acquisition Sub enforceable against each of Parent and

Acquisition Sub in accordance with its terms.

SECTION 4.04. No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by Parent and Acquisition Sub do not, and the performance of this Agreement by Parent and Acquisition Sub will not, (i) conflict with or violate the Certificate of Incorporation or By-laws of Parent or Acquisition Sub; (ii) conflict with or violate any Law applicable to Parent or Acquisition Sub or by which any property or asset of either of them is bound or affected, except for such conflicts or violations which would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect; or (iii) except as specified in Schedule 4.04(a) of the separate Disclosure Schedule previously delivered by Parent to the Company (the "Parent Disclosure Schedule"), result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Parent or Acquisition Sub pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or Acquisition Sub is a party or by which Parent or Acquisition Sub or any property or asset of either of them is bound or affected, except for any such breaches, defaults or other occurrences which would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

(b) The execution and delivery of this Agreement by Parent and Acquisition Sub do not, and the performance of this Agreement by Parent and Acquisition Sub will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) (A) for applicable requirements, if any, of the Exchange Act or the Securities Act; (B) such filings and approvals as may be required by any applicable state securities, blue sky or takeover laws, and (C) the filing and recordation of appropriate merger documents as required by the DGCL; (ii) as specified in Schedule 4.04(b) of the separate Parent Disclosure Schedule; and (iii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not by the terms of the applicable requirement prevent or delay consummation of the Merger, and would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

SECTION 4.05. Absence of Litigation. There is no claim, action, proceeding or investigation pending or, to the knowledge of the Parent, threatened against the Parent before any court, arbitrator or Governmental Entity, which seeks to delay or prevent the consummation of the Share Exchange, the Merger and or any other transaction contemplated hereby.

SECTION 4.06 No Operations or Liabilities. Parent and Acquisition Sub are each newly formed entities created solely for the purpose of entering into and

consummating this Agreement and the other Transaction Agreements to which they are party, and except for this Agreement and the other Transaction Agreements to which they are party, neither Parent nor Acquisition Sub is party to any Contract, nor have either otherwise conducted any business or incurred any

liability or obligation.

SECTION 4.07 Information Supplied. None of the written information supplied or to be supplied by Parent or the Acquisition Sub specifically for inclusion or incorporation by reference in any SEC Transaction Filing, at the date it or any amendment or supplement thereto is to be filed with the SEC, will 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 light of the circumstances under which they were made, not misleading.

SECTION 4.08 Brokers. Except as otherwise disclosed in this Agreement, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent or Acquisition Sub.

ARTICLE V

CONDUCT OF BUSINESS PENDING THE EFFECTIVE TIME

SECTION 5.01. Conduct of Business by the Company Pending the Effective Time. The Company covenants and agrees that, between the date of this Agreement and the earlier of the termination of this Agreement pursuant to Article VIII or the Effective Time, unless disclosed on Schedule 5.01 or Parent shall otherwise agree in writing, the businesses of the Company and the Subsidiaries shall be conducted only in, and the Company and the Subsidiaries shall not take any action except in, the Ordinary Course; and the Company shall use all commercially reasonable efforts to preserve intact its business organization, to keep available the services of the current officers, employees and consultants of the Company and the Subsidiaries and to preserve the current relationships of the Company and the Subsidiaries with customers, suppliers and other persons with which the Company or any Subsidiary has business relations. By way of amplification and not limitation, except as contemplated by this Agreement, neither the Company nor any of the Subsidiaries shall, between the date of this Agreement and the earlier of the termination of this Agreement pursuant to Article VIII or the Effective Time, directly or indirectly do, propose or commit to do, or authorize any of the following without the prior written consent of Parent (except as disclosed on Schedule 5.01 or as the same may be expressly required by or necessary to perform its obligations under this Agreement or any other Transaction Agreement):

(a) amend or otherwise change the Company's Certificate of Incorporation or By-laws or equivalent organizational documents of any Subsidiary;

(b) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of any Shares or any shares of capital stock of any class of the Company or the Subsidiaries, or any options,

warrants, convertible securities or other rights of any kind to acquire any Shares or shares of such capital stock, or any other ownership interest (including, without limitation, any phantom interest), of the Company or any Subsidiary (except for the issuance of Shares issuable

pursuant to the exercise of employee stock options or other awards outstanding on the date hereof as set forth on Schedule 3.03 to the Company Disclosure Statement);

(c) transfer, lease, license, guarantee, sell, mortgage, pledge, dispose of or encumber any assets of the Company or any Subsidiary, except for sales and licenses in the Ordinary Course;

(d) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except that a wholly-owned Subsidiary may declare and pay a dividend to its parent;

(e) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock;

(f) (i) acquire (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof or any assets outside the Ordinary Course; (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except in the Ordinary Course; or (iii) enter into or amend in any material respect any Material Contract or enter into any Material Contract that would be breached by, or require the consent of any third party in order to continue in full force following, consummation of the Merger;

(g) increase (except salary increases in the Ordinary Course) the compensation payable or to become payable to its officers or employees generally, or grant any bonus, severance or termination pay to, or enter into any employment or severance agreement with any director, officer or other employee of the Company or any Subsidiary, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee;

(h) take any action, other than reasonable and usual actions in the Ordinary Course, with respect to accounting policies or procedures (including, without limitation, procedures with respect to the payment of accounts payable and collection of accounts receivable);

(i) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment,

discharge or satisfaction, in the Ordinary Course, of liabilities reflected or reserved against in the Company 2003 Balance Sheet, or subsequently incurred in the Ordinary Course, or as permitted by clause (l) below;

(j) fail to comply in all material respects with applicable

Laws;

(k) fail to pay and discharge any Taxes upon or against any of its properties or assets before the same shall become delinquent and before penalties accrue thereon, except to the extent and so long as the same are being contested in good faith and by appropriate proceedings;

(l) settle or compromise any claims or litigation (x) for an amount in any case in excess of $250,000 or (y) seeking injunctive relief against or on behalf of the Company;

(m) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of the Company or any of its Subsidiaries;

(n) make or revoke any material tax election not required by law or settle or compromise any material tax liability or amend, in any material respect, any Tax Return or closing agreement with respect to Taxes;

(o) other than in the Ordinary Course, (i) waive any rights of material value or (ii) cancel or forgive any material indebtedness for borrowed money owed to the Company or any of its Subsidiaries other than indebtedness of the Company or a wholly-owned Subsidiary of the Company;

(p) except as may be required as a result of a change in law or under GAAP, make any material change in its methods, principles and practices of accounting, including tax accounting policies and procedures;

(q) acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof material to the Company and its Subsidiaries taken as a whole;

(r) enter into any material joint venture, partnership or similar agreement;

(s) enter into any contract or agreement which limits the ability of the Company or any Subsidiary to compete in any material manner with or conduct any business or line of business in any geographic area;

(t) terminate or fail to maintain any insurance policies, other than with respect to Policies which are replaced in the Ordinary Course with policies of substantially similar type, term, amount of coverage, and premium; or

(u) commit to do any of the foregoing, take, or agree in writing or otherwise to take, any of the foregoing actions or take or fail to take any action which would make any representation or warranty of the Company contained in this Agreement untrue or incorrect as of

the date when made or as if made as of the Effective Time (other than representations and warranties which address matters only as of a certain date(s), in which case untrue or incorrect as of such certain date(s).

ARTICLE VI

ADDITIONAL AGREEMENTS

SECTION 6.01. Company Stockholders' Meeting. The Company shall duly give notice of, convene and hold a meeting of its stockholders (the "Company Stockholders Meeting") for the purpose of voting upon this Agreement (insofar as it relates to the Merger), the Merger and related matters within 40 calendar days of the mailing of the definitive Company Proxy Statement as contemplated by Section 6.02 below. The Company shall, through its Board of Directors, recommend to its stockholders approval and adoption of this Agreement and approval of the Merger. If the Board of Directors of the Company shall have withdrawn its approval or recommendation of this Agreement or the Merger to the extent permitted by Section 6.05, the obligations set forth in the preceding two sentences of this paragraph shall terminate and be of no further force or effect.

SECTION 6.02. SEC Transaction Filings. Within fifteen (15) calendar days following the date of this Agreement, the Company shall file the preliminary SEC Transaction Filings related to the Merger and this Agreement with the SEC and shall use reasonable best efforts to respond to any comments of the SEC or its staff and to cause a definitive Company Proxy Statement to be mailed to the Company's stockholders within five (5) days after the SEC Transaction Filings is cleared by the SEC. The Parent and the Company shall cooperate with each other in the preparation of the SEC Transaction Filings. The Company shall notify Parent promptly of the receipt of and shall respond promptly to (i) any comments from the SEC or its staff and (ii) any request by the SEC or its staff for amendments or supplements to the SEC Transaction Filings or for additional information and will supply Parent with copies of all correspondence between the Company or any of its representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to the SEC Transaction Filings or the Merger. If at any time prior to the approval of this Agreement by the Company's stockholders there shall occur any event that is required to be set forth in an amendment or supplement to any SEC Transaction Filing, the Company will promptly notify Parent thereof and the Parent and the Company shall cooperate in the preparation and mailing to its stockholders such an amendment or supplement. Parent and its counsel shall be given a reasonable opportunity to be involved and the Company and the Parent shall cooperate in the drafting of and review and comment upon any SEC Transaction Filing and any amendment or supplement thereto and any such correspondence and the Company shall not mail any Company Proxy Statement, or any amendment or supplement thereto, to which Parent reasonably objects. Subject to Section 6.05, the Company shall include in the definitive Company Proxy Statement the recommendation of

the Company's board of directors that stockholders of the Company vote in favor of the approval of the Merger and the adoption of this Agreement and shall use all reasonable efforts to solicit from the holders of Daleen Common Stock and Daleen Series F Preferred Stock proxies in favor of the Merger, and take all

actions reasonably necessary or, in the reasonable opinion of Parent and Acquisition Sub, advisable to secure the approval of stockholders required by the DGCL, the Company's Certificate of Incorporation and any other applicable law to effect the Merger.

SECTION 6.03. Appropriate Action; Consents; Filings.

(a) The Company and Parent shall use commercially reasonable efforts to (i) take, or cause to be taken, all appropriate action and do, or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the Share Exchange, the Merger and the other transactions contemplated hereby as promptly as practicable; (ii) obtain in a timely manner from any Governmental Entities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained or made by Parent or the Company or any of their subsidiaries in connection with the authorization, execution and delivery of this Agreement and the consummation of the Share Exchange, the Merger and the other transactions contemplated hereby; and (iii) as promptly as practicable make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement, the Share Exchange, the Merger or the other transactions contemplated hereby that are required under (A) the Exchange Act, and any other applicable federal or state securities laws, (B) the HSR Act and any related governmental request thereunder, and (C) any other applicable Law; provided that Parent and the Company shall cooperate with each other in connection with the making of all such filings, including providing copies of all such documents to the non-filing party and its advisors prior to filing and, if requested, to accept all reasonable additions, deletions or changes suggested in connection therewith. The Company and Parent shall furnish to each other all information required for any application or other filing to be made pursuant to the rules and regulations of any applicable law (including all information required to be included in any SEC Transaction Filing) in connection with the transactions contemplated by this Agreement.

(b) Without limiting the generality of their undertakings pursuant to Section 6.03(a), each party hereto shall (i) use commercially reasonable efforts to prevent the entry in a judicial or administrative proceeding brought under any antitrust law by any Governmental Entity with jurisdiction over enforcement of any applicable antitrust laws or any other party of any permanent or preliminary injunction or other order that would make consummation of the Share Exchange, the Merger or any other transaction contemplated hereby in accordance with the terms of this Agreement (as it may be amended from time to time) unlawful or would prevent or delay it; and (ii) take promptly, in the event that such an injunction or order has been issued in such a proceeding, all steps necessary to take an appeal of such injunction or order.

(c) Notwithstanding anything to the contrary in this Section 6.03, the parties agree that, in response to any action taken or threatened to be taken by any court or

Governmental Entity, Parent shall not be required to (i) take any action or agree to the imposition of any order that would compel Parent or the Company (or any of their respective subsidiaries) to sell, license or otherwise dispose of, hold separate or otherwise divest itself of any portion of its respective business or assets in order to consummate the Share Exchange, the Merger or any

other transaction contemplated hereby or (ii) impose any limitation on Parent's ability to own or operate the business and operations of the Company and its Subsidiaries.

(d) (i) Each of Parent and the Company shall give (or shall cause its respective subsidiaries to give) any notices to third parties and use, and cause its respective subsidiaries to use, their reasonable best efforts to obtain any third party consents (A) necessary, proper or advisable to consummate the transactions contemplated in this Agreement, (B) disclosed or required to be disclosed in the Company Disclosure Schedule or the Parent Disclosure Schedule or (C) required to prevent a Company Material Adverse Effect from occurring prior to or after the Effective Time or a Parent Material Adverse Effect from occurring after the Effective Time; provided, however, that the Company and its Subsidiaries shall not be required to, and shall not without the written consent of Parent, incur fees and expenses in excess of $[100,000] in the aggregate in order to obtain any such third party consents.

(ii) In the event that either Parent or the Company shall fail to obtain any third party consent described in subsection (b)(i) above, it shall use its commercially reasonable efforts, and shall take any such actions reasonably requested by the other party, to minimize any adverse effect upon the Company and Parent, their respective subsidiaries, and their respective businesses resulting, or which could reasonably be expected to result after the Effective Time, from the failure to obtain such consent.

(e) From the date of this Agreement until the Effective Time, each party shall promptly notify the other party in writing of any pending or, to the knowledge of the first party, threatened action, proceeding or investigation by any Governmental Entity or any other person (i) challenging or seeking material damages in connection with the Share Exchange, the Merger or any other transaction contemplated hereby; or (ii) seeking to restrain or prohibit the consummation of the Share Exchange, the Merger or any other transaction contemplated hereby or otherwise limit the right of Parent or, to the knowledge of such first party, Parent's subsidiaries to own or operate all or any portion of the businesses or assets of the Company or its Subsidiaries, which in either case is reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect prior to or after the Effective Time, or a Parent Material Adverse Effect prior to the Effective Time.

(f) Each of the Company and Parent shall keep the other informed of any material communication, and provide to the other copies of all correspondence between it (or its advisors) and any Government Entity relating to this Agreement and shall permit the other to review any material communication to be given by it to, and shall consult with each other in advance of any telephone calls, meetings or conferences with, any Government Entity and, to the extent permitted, give the other party the opportunity to attend and participate in such telephone calls, meetings and conferences.

SECTION 6.04. Access to Information; Confidentiality.

(a) From the date hereof to the earlier of the termination of this Agreement and the Effective Time, upon reasonable notice and subject to restrictions contained in confidentiality agreements to which the Company is subject (from which the Company shall use commercially reasonable efforts to be

released), the Company and its subsidiaries will provide to Parent (and its representatives, advisors, counsel and consultants) full access to the offices and other facilities and to the books and records of the Company and its Subsidiaries and all information and documents which Parent may reasonably request regarding the business, assets, liabilities, employees and other aspects of the Company, other than information and documents that in the opinion of the Company's counsel may not be disclosed under applicable law.

(b) No investigation pursuant to this Section 6.04 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

SECTION 6.05. No Solicitation of Competing Transactions. Neither the Company nor any Subsidiary shall, directly or indirectly, through any officer, director, agent or otherwise, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries about or the making of any proposal that the Company enter into any Competing Transaction, or enter into or maintain or continue discussions or negotiate with any person or entity in furtherance of such inquiries or to obtain a Competing Transaction, or agree to or endorse any Competing Transaction or withdraw or modify or propose publicly to withdraw or modify the approval or recommendation of the Board of Directors of this Agreement, the tender of Shares pursuant to the Share Exchange, the Merger or any other transaction contemplated hereby, or authorize or permit any person to take any such action, and the Company shall notify Parent orally (within one (1) business day) and in writing (as promptly as practicable) after receipt by any officer or director of the Company or any Subsidiary or any investment banker, financial advisor or attorney retained by the Company or any Subsidiary, of any inquiry concerning, or proposal for, a Competing Transaction, or of any request for nonpublic information relating to the Company or any of its Subsidiaries either in connection with such an inquiry or proposal or when such request for nonpublic information could reasonably be expected to lead to such a proposal, provided, however, that nothing contained in this Section 6.05 shall prohibit the board of directors of the Company from (i) furnishing information to, or entering into discussions or negotiations with, any person or entity that makes an unsolicited, bona fide written proposal for a Competing Transaction, if, and only to the extent that, (A) the board of directors of the Company, after consultation with independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the board of directors of the Company to comply with its fiduciary duties to stockholders under applicable law, and, solely with respect to entering into such discussions or negotiations, the board of directors of the Company determines in good faith, based on the written opinion of VRC or another nationally recognized financial advisor, that such

Competing Transaction is reasonably likely to be more favorable to the Company's stockholders from a financial point of view than the Share Exchange, the Merger and the other transactions contemplated hereby and (B) prior to furnishing such information to, or entering into discussions or negotiations with, such person or entity, the Company (x) provides at least five (5) business days' notice to Parent to the effect that it is furnishing information to, or entering into discussions or negotiations with, such person or entity and provides in any such notice to Parent in reasonable detail, the identity of the person or entity

making such proposal and the terms and conditions of such proposal and any material updates with respect thereto, (y) provides Parent with all information to be provided to such person or entity which Parent has not previously been provided, and (z) receives from such person or entity an executed confidentiality agreement in reasonably customary form; (ii) complying with Rule 14e-2 promulgated under the Exchange Act with regard to a third-party tender or exchange offer, provided, however, that the board of directors of the Company shall not recommend acceptance of such tender or exchange offer unless, in the good faith judgment of the board of directors of the Company, after consultation with independent legal counsel, failure to recommend acceptance would constitute a violation of its fiduciary duties to the Company's stockholders under applicable law; or (iii) failing to make or withdrawing or modifying its recommendation of acceptance of the Share Exchange or the Merger following the making of an unsolicited, bona fide written proposal relating to a Competing Transaction if the board of directors of the Company, after consultation with independent legal counsel (who may be the Company's regularly engaged independent legal counsel) determines in good faith that such action is necessary for the board of directors of the Company to comply with its fiduciary duties to stockholders under applicable law and the board of directors of the Company determines in good faith, based on the written opinion of a nationally recognized financial advisor, that such Competing Transaction is reasonably likely to be more favorable to the Company's stockholders from a financial point of view than the Share Exchange, the Merger and the other transactions contemplated hereby. The Company agrees not to release any third party from, or waive any provision of, any confidentiality or standstill agreement to which the Company is a party. For purposes of this Agreement, "Competing Transaction" shall mean: (i) any merger, consolidation, share exchange, business combination, liquidation, recapitalization or other similar transaction involving the Company or any Subsidiary; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of fifteen percent (25%) or more of the assets of the Company and the Subsidiaries, taken as a whole, in a single transaction or series of transactions; (iii) any tender offer or exchange offer for fifteen (25%) or more of the Shares or the filing of a registration statement under the Securities Act in connection therewith; (iv) any person having acquired beneficial ownership or the right to acquire beneficial ownership of, or any "group" (as such term is defined under Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder) having been formed which beneficially owns or has the right to acquire beneficial ownership of, fifteen (25%) or more of the Shares; or (v) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing. In addition to the other obligations of the Company set forth in this Section 6.05, the Company shall promptly advise Parent orally and in writing of any request for information or other inquiry that the Company reasonably believes could lead to a Competing Transaction, the terms and conditions of any such request or inquiry (including any changes thereto) and the identity of

the person making any such request or inquiry. The Company shall (i) promptly keep Parent fully informed of the status and details (including any change to the terms thereof) of any such request or inquiry and (ii) provide to Parent as soon as practicable after receipt or delivery thereof copies of any written offer, all correspondence and any other written material sent or provided to the Company or any of its Subsidiaries from any person that describes any of the terms or conditions of any such request or inquiry.

SECTION 6.06. Directors' and Officers' Indemnification and Insurance.

(a) The Surviving Corporation shall use commercially reasonable efforts to maintain in effect for six (6) years from the Effective Time, if available, (i) directors' and officers' liability insurance covering those persons who are currently covered by the Company's directors' and officers' liability insurance policy on terms comparable to those applicable to the then current directors and officers of Parent; or (ii) the current directors' and officers' liability insurance policies maintained by the Company with respect to matters occurring prior to the Effective Time; provided, however, that in no event shall the Surviving Corporation be required to expend pursuant to this Section 6.06 more than an amount per year equal to 200% of current annual premiums paid by the Company for such insurance.

(b) This Section 6.06 shall survive the consummation of the Merger at the Effective Time, is intended to benefit the Company, the Surviving Corporation and the present and former directors and officers of the Company (the "Indemnified Parties"), shall be binding, jointly and severally on all successors and assigns of the Surviving Corporation, and shall be enforceable by the Indemnified Parties.

SECTION 6.07. Notification of Certain Matters; Updating of Disclosure Schedules.

(a) Certain Notices. From and after the date of this Agreement until the Effective Time, each party hereto shall promptly notify the other party hereto of (a) the occurrence, or nonoccurrence, of any event the occurrence, or non-occurrence of which would be likely to cause (i) any representation or warranty made in this Agreement by such party, or any information furnished on any Schedule in the Parent Disclosure Schedule or the Company Disclosure Schedule by such party, to be inaccurate either at the time such representation or warranty is made, or such information is furnished, or at the time of the occurrence or non-occurrence of such event; or (ii) any failure by such party to comply with or satisfy any condition to the obligations of such party to effect the Share Exchange, the Merger and the other transactions contemplated by this Agreement, or (b) the failure of the Company or Parent, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it pursuant to this Agreement which would be likely to result in any condition to the obligations of any party to effect the Share Exchange, the Merger and the other transactions contemplated by this Agreement not to be satisfied; provided, however, that the delivery of any notice pursuant to this Section 6.07 shall not be deemed to be an amendment of this Agreement or any Schedule in the Parent Disclosure Schedule or the Company Disclosure Schedule and shall not cure any breach of any representation or warranty requiring disclosure of such matter prior to the date of this

Agreement. No delivery of any notice pursuant to this Section 6.07 shall limit or affect the remedies available hereunder to the party receiving such notice.

(b) Updating of Disclosure Schedules. Not later than the fifth business day prior to the scheduled Closing Date, the Company shall provide updated disclosure schedules to Parent reflecting any developments between the date hereof and the Closing Date which are expected to cause any of the representations of the Company set forth herein to be inaccurate or incomplete

in any respect as of the Closing. Delivery of such updated disclosure schedules shall not be deemed to update, modify or amend in any respect the representations and warranties of the Company for purposes of Section 7.04, save in respect of such matters as fall within the exclusions from the definition of "Company Material Adverse Effect" set forth in Section 13.1, and, subject to the foregoing exception, Parent shall retain all of its rights under Section 7.04 based on the representations and warranties of the Company contained herein, as modified by the disclosure schedules delivered on the date hereof. If Parent elects to consummate the Closing notwithstanding the matters disclosed on such updated disclosure schedules, then the representations and warranties of the Company and shall be deemed modified for purposes of Article IX solely to the extent of matters that both (a) are expressly disclosed on the respective updated schedules and (b) relate solely to matters intervening between the date hereof and the Closing Date that cause a representation which is true and correct as of the date hereof not to be correct when given as of the Closing Date. The modification provided for in the preceding sentence shall not apply to a matter insofar as knowledge acquired between the date hereof and Closing causes a representation or warranty to be known to have been incorrect as of the date hereof.

SECTION 6.08. Public Announcements. Parent and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the Share Exchange, the Merger and the other transactions contemplated hereby and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by Law. The parties have agreed on the text of a joint press release by which Parent and the Company will announce the execution of this Agreement.

SECTION 6.09. State Takeover Laws. If any "fair price," "moratorium," "control share acquisition," "interested stockholder" or other similar anti-takeover statute or regulation (each a "Takeover Statute") (including the Interested Stockholder Statute) is or may become applicable to the Merger or the other transactions contemplated by this Agreement, each of Parent and the Company shall grant such approvals and take such actions as are necessary so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement, and otherwise act to eliminate or minimize the effects of such Takeover Statutes.

SECTION 6.10. Additional Company SEC Reports; Financial Statements. From and after the date of this Agreement until the Effective Time, (i) the Company shall file all forms, reports and documents required to be filed by it with the SEC; (ii) each of such forms shall be prepared in accordance with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations thereunder; (iii) each of

such forms will not at the time they are filed contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading; and (iv) each of such forms will not at the time they are filed omit any documents required to be filed as exhibits thereto. Each of the consolidated financial statements (including, in each case, the notes thereto) contained in the SEC reports referred to in the previous sentence shall be prepared in accordance with GAAP

(except as may be indicated in the notes thereto) and each will fairly present the consolidated financial position, results of operations and cash flows of the Company and the consolidated Subsidiaries as at the respective dates thereof and for the respective periods indicated therein in accordance with GAAP (subject, in the case of unaudited statements, to normal and recurring quarterly and/or year-end adjustments which are not expected to be material in amount).

ARTICLE VII

CONDITIONS

SECTION 7.01. Conditions to the Obligations of Each Party to the Share Exchange. The obligations of Parent, Behrman and SEF to consummate the Share Exchange shall be subject to the satisfaction each of the conditions set forth in Sections 7.02, 7.03 and 7.04 following, save for those conditions which can only be satisfied by a delivery made at the Merger Closing. In addition, the obligations of Parent to consummate the Share Exchange shall be subject to the satisfaction of the condition that each of the representations of Behrman and SEF in Section 1.01(d) be true and correct as of the Share Exchange Closing as if made on the Closing Date.

SECTION 7.02. Conditions to the Obligations of Each Party to the Merger. The obligations of the Company, Parent and Acquisition Sub to consummate the Merger are subject to the satisfaction of the following conditions:

(a) this Agreement (insofar as it relates to the Merger) and the Merger contemplated hereby shall have been approved and adopted by the requisite affirmative vote or consent of the stockholders of the Company in accordance with the DGCL and the Company's Certificate of Incorporation;

(b) Behrman and SEF shall have delivered the Exchange Shares to Parent and Parent shall have issued the Share Exchange Consideration to Behrman and SEF as contemplated by Section 1.01;

(c) all conditions to the consummation of the transactions contemplated by the Investment Agreement shall have been satisfied (or, to the extent permitted thereby, waived), save for (i) the Closing hereunder, (ii) the consummation of the transactions contemplated by the Protek Agreement, and (iii) those conditions which

could only be satisfied by deliveries made at the closing under the Investment Agreement;

(d) all conditions to the consummation of the transactions contemplated by the Protek Agreement shall have been satisfied (or, to the extent permitted thereby, waived), save for (i) the Closing hereunder, (ii) the consummation of the Investment Agreement, and (iii) those conditions which could only be satisfied by deliveries made at the closing under the Protek Agreement;

(e) the Dissenting Shares shall not include more than (a) 5% of the shares of Daleen Common Stock outstanding as of the Effective Time (including Exchanged Shares) nor (b) 5% of the outstanding shares

of Daleen Series F Preferred Stock outstanding as of the Effective Time (including Exchanged Shares); and

(f) no order, stay, decree, judgment or injunction shall have been entered, issued or enforced, by any Governmental Entity or court of competent jurisdiction which prohibits consummation of the Merger or any other transaction contemplated hereby, and there shall not be any action taken, or any statute, rule, regulation or order enacted, entered, enforced or deemed applicable to the Merger or any other transaction contemplated hereby, which makes the consummation of the Merger or any other transaction contemplated hereby illegal or substantially deprives the Parent of any of the anticipated benefits of the Merger or any other transaction contemplated hereby.

SECTION 7.03. Conditions to the Obligations of the Company Concerning the Merger. The obligations of the Company to consummate the Merger are subject to the satisfaction of the following conditions:

(a) The representations and warranties of Parent and Acquisition Sub contained in this Agreement (i) to the extent qualified by materiality or Material Adverse Effect shall be true and correct in all respects at and as of the date of this Agreement and as if made on and as of the Effective Time (other than those representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date), (ii) to the extent not qualified by materiality or Material Adverse Effect (other than Section 4.02) shall be true and correct in all material respects at and as of the date of this Agreement and as if made on and as of the Effective Time (other than those representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date), and (iii) to the extent contained in Section 4.02 shall be true and correct in all respects at and as of the date of this Agreement and as if made on and as of the Effective Time (other than those representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date);

(b) Parent and Acquisition Sub shall have fully performed in all material respects each of their covenants set forth in this Agreement; and

(c) Parent and Acquisition Sub shall have delivered to the Company a certificate of an authorized officer of each of them, in form and substance satisfactory to the Company, as to the satisfaction of the conditions set forth in paragraphs (a) and (b) preceding.

SECTION 7.04. Conditions to the Obligations of Parent and Acquisition Sub Concerning the Merger. The obligations of Parent and Acquisition Sub to consummate the Merger are subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Company contained in this Agreement (i) to the extent qualified by materiality

or Material Adverse Effect shall be true and correct in all respects at and as of the date of this Agreement and as if made on and as of the Effective Time (other than those representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date), (ii) to the extent not qualified by materiality or Material Adverse Effect (other than Section 3.03) shall be true and correct in all material respects at and as of the date of this Agreement and as if made on and as of the Effective Time (other than those representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date), and (iii) to the extent contained in Section 3.03 shall be true and correct in all respects at and as of the date of this Agreement and as if made on and as of the Effective Time (other than those representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date), provided, however, that no representation or warranty shall be deemed to be untrue or incorrect as of the Effective Time on the basis of the existence, settlement or resolution of any Specified Litigation;

(b) The Company shall have fully performed in all material respects each of its covenants set forth in this Agreement;

(c) The Company shall have delivered to Parent and Acquisition Sub a certificate of an authorized officer of the Company, in form and substance satisfactory to Parent and Acquisition Sub, as to the satisfaction of the conditions set forth in paragraphs (a) and (b) preceding;

(d) The Company shall have obtained a written consent and waiver agreement from Silicon Valley Bank and the United States Export Import Bank consenting to the execution, delivery and performance of this Agreement and each other Transaction Agreement and waiving any default in respect of the same; and

(e) There shall not have occurred after the date hereof, or as of the Closing Date, any occurrence that has or would reasonably be expected to have a Company Material Adverse Effect, and the aggregate amount of all claims by Parent Indemnitees for indemnification under Section 9.01(d) made prior to the Closing Date

shall not exceed, after giving effect to the limitations on indemnification in Section 9.01(e) and to all offsets pursuant to Section 9.04, $1,000,000.

ARTICLE VIII

TERMINATION, AMENDMENT AND WAIVER

SECTION 8.01. Termination. This Agreement may be terminated and the Share Exchange, the Merger and the other transactions contemplated hereby may be abandoned at any time prior to the Effective Time, notwithstanding any requisite approval and adoption of this Agreement and the transactions contemplated hereby by the stockholders of the Company:

(a) by mutual written consent duly authorized by the boards of directors of each of Parent, Acquisition Sub and the Company; or

(b) by either Parent or the Company if a court of competent jurisdiction or other Governmental Entity shall have issued, enacted, promulgated, or enforced any law, order, judgment, decree, injunction or ruling or taken any other action (that has not been vacated, withdrawn or overturned), in each case permanently restraining, enjoining or otherwise prohibiting the Share Exchange, the Merger or any other transaction contemplated hereby, and such law, order, judgment, ruling, injunction, order or decree shall have become final and nonappealable; provided, that the party seeking to terminate pursuant to this Section 8.01(b) shall have used its reasonable best efforts to challenge such law, order, judgment, decree, injunctions or ruling;

(c) by Parent or the Company, if the Effective Time shall not have occurred on or prior to September 30, 2004 (the "Termination Date"); provided that the right to terminate this Agreement pursuant to this Section 8.01(c) shall not be available to the Parent or the Company if such party shall have materially breached this Agreement, or if the failure of the Effective Time to have occurred by the Termination Date is the result of a material breach of this Agreement by the party seeking to terminate this Agreement;

(d) by the Company, if there shall have occurred, on the part of Parent or Acquisition Sub, a breach of any representation, warranty, covenant or agreement contained in this Agreement that (x) would result in a failure of a condition set forth in Section 7.03(a) or 7.03(b) and (y) which is not curable or, if curable, is not cured within thirty (30) calendar days after written notice of such breach is given by the Company to Parent;

(e) by Parent, if there shall have occurred, on the part of the Company, a breach of any representation, warranty, covenant or agreement contained in this Agreement that (x) would result in a failure of a condition set forth in Section 7.04(a) or 7.04(b) and (y) which is not curable or, if curable, is not cured within thirty (30) calendar days after written notice of such breach is given by Parent to the Company;

(f) by Parent, if (i) the Company's board of directors or any committee thereof shall have withdrawn, modified, changed or failed to publicly affirm, within ten (10) days after the Parent's reasonable request, its approval or recommendation in respect of this Agreement, the Merger or the Share Exchange in a manner adverse to the Merger or the Share Exchange, or to Parent or Acquisition Sub, (ii) the Company's board of directors or any committee thereof shall have recommended any Competing Transaction, the Company enters into an agreement relating to the Company Transaction or the Company shall have consummated a Competing Transaction; (iii) the Company shall have violated or breached in any material respect any of its obligations under Section 6.05 or (iv) the board of directors of the Company or any committee thereof shall have resolved to take any of the foregoing actions;

(g) by the Company, if the board of directors of the Company or any committee thereof, after compliance with its obligations under Section 6.05, shall have recommended or resolved to recommend to the stockholders of the Company a proposal for a Competing Transaction under circumstances where a majority of such directors reasonably determines in good faith (i) after

consultation with independent legal counsel, that failure to accept such proposal would be a breach of the fiduciary duty of such directors and (ii) based on the written opinion of a nationally recognized financial advisor, that such Competing Transaction is reasonably likely to be more favorable to the Company's stockholders from a financial point of view than the Merger; provided that any termination of this Agreement by the Company pursuant to this Section 8.01(g) shall not be effective unless and until (A) the board of directors of the Company has provided Parent with written notice that the Company intends to enter into a binding written agreement in respect of such Competing Transaction, (B) the Company shall have attached the most current written version of such Competing Transaction to such notice, and (C) Parent does not make, within five (5) days after receipt of the Company's written notice, an offer that the board of directors of the Company shall have determined in good faith (after consultation with its aforementioned outside legal and financial advisors) is as favorable to the stockholders of the Company as such Competing Transaction.

SECTION 8.02. Effect of Termination. Except as provided in Section 10.01, Section 6.04, this Section 8.02, Article X, in the event of the termination of this Agreement pursuant to Section 8.01, this Agreement shall forthwith become void and have no effect, without any liability on the part of Parent, Acquisition Sub, the Company, Behrman, SEF or any of their respective officers or directors. Nothing contained in this Section 8.02 shall relieve any party from liability for any material breach of this Agreement.

SECTION 8.03. Fees and Expenses.

(a) Upon a termination of this Agreement pursuant to Sections 8.01(f) or (g), the fees described in the Transaction Support Agreement shall be payable, subject to the terms and conditions set forth therein.

(b) Except as set forth in this Section 8.03, all costs and expenses incurred in connection with this Agreement and the Share Exchange, the Merger or any other

transaction contemplated hereby shall be paid by the party incurring such expenses, whether or not the Share Exchange, the Merger or any other transaction contemplated hereby is consummated.

SECTION 8.04. Amendment. This Agreement may be amended by Parent and the Company by action taken by or on behalf of their respective boards of directors at any time prior to the Effective Time; provided, however, that (a) after the approval and adoption of this Agreement and the transactions contemplated hereby by the stockholders of the Company, if required, no amendment may be made which would reduce the per share amount or change the type of consideration into which each Share shall be converted upon consummation of the Merger, (b) no provision of Section 1.01 hereof may be amended without the written consent of Behrman and SEF, (c) no amendment which otherwise adversely affects the rights and obligations of Behrman and SEF hereunder may be made without the written consent of Behrman and SEF, and (d) the rights of amendment provided for hereunder are acknowledged to be subject to certain provisions of a Transaction Support Agreement of even date herewith among the parties to this Agreement, the Investment Agreement and the Protek Agreement. This Agreement may not be amended prior to the Effective Time except by an instrument in writing signed by the parties hereto provided for in the preceding sentence. This

Agreement may be amended after the Effective Time by the written consent of Parent, Behrman and Series F Holders holding a majority in interest of all shares of Daleen Series F Preferred Stock held by Series F Holders immediately prior to the Effective Time.

SECTION 8.05. Waiver. Any party hereto may, to the extent legally allowed, (a) extend the time for the performance of any obligation or other act of any other party hereto, (b) waive any inaccuracy in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any agreement or condition contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby. Such rights of waiver shall be subject to the provisions of the Transaction Support Agreement.

ARTICLE IX

INDEMNIFICATION

SECTION 9.01. Indemnification of Parent by Behrman, SEF and the Series F Holders

(a) Subject to the limitations and expiration dates contained in Section 10.01 and in this Article 9, Behrman, SEF and each Series F Holder (or, if the Closing shall not have occurred, the Company) shall, severally but not jointly, indemnify, defend and hold harmless Parent and its respective directors, officers, managers, employees, equity holders, agents, Affiliates (including upon Closing the Company and the Subsidiaries), successors and permitted assigns (collectively, the "Parent Indemnitees") and each of them from and against, and shall pay and/or reimburse the foregoing Persons for, any and all losses, Liabilities, claims, obligations, damages and costs and expenses (including reasonable

attorneys' fees and disbursements and other costs incurred or sustained by an Indemnitee in connection with the investigation, defense or prosecution of any such claim or any action or proceeding between the Indemnitee and the Indemnifying Party or between the Indemnitee and any third party or otherwise), whether or not involving a third-party claim (collectively, "Losses"), relating to or arising out of the breach of any representation, warranty, covenant or agreement of the Company, Behrman or SEF contained in this Agreement.

(b) Except as set forth in the second sentence of this paragraph and subject to the additional limitations set forth in Section 9.01(c), Behrman, SEF and the Series F Holders (or, if closing shall not have occurred, the Company) shall not be required to indemnify the Parent Indemnitees with respect to any claim for indemnification pursuant to Section 9.01(a) unless and until the aggregate amount of all claims against Behrman, SEF and the Series F Holders (or, if Closing shall not have occurred, the Company) under Section 9.01(a) exceeds $250,000, at which point Behrman, SEF and the Series F Holders (or, if Closing shall not have occurred, the Company) shall be liable for the full amount of all such Losses. The amount of the indemnifiable portion of any Loss for which indemnification is sought under Section 9.01(a) shall be allocated among Behrman, SEF and the Series F Holders as follows: (a) 49.8%(the "Behrman Indemnification Percentage") to Behrman and SEF, pro rata to their ownership of Daleen Series F Preferred Stock immediately prior to consummation of the Share

Exchange, to the extent there are assets available therefor in the Behrman Escrow, and (b) 50.2%(the "Series F Indemnification Percentage") to the Series F Holders, pro rata to their ownership of Daleen Series F Preferred Stock immediately prior to the Effective Time, to the extent there are assets available therefor in the General Escrow. The limitations in the preceding sentence shall not limit in any way (a) the rights of the Parent Indemnitees to indemnification in respect of any remedies in respect of any inaccuracies in the representations and warranties contained in Sections 4.1, 4.2, 4.4 and Section 5, nor (b) the remedies of the Parent Indemnitees in respect of fraud or willful misrepresentation.

(c) The sole remedy of any Parent Indemnitee in respect of any claim for indemnification against Behrman, SEF or the Series F Holders under Section 9.01(a) (absent fraud by such entity and except in respect of any remedies in respect of any inaccuracies in the representations and warranties contained in Section 1.01(d)) shall be the right of Parent, exercisable on its own behalf or on behalf of the other Parent Indemnitees, to cause the forfeiture to Parent of such cash or shares of Parent capital stock as are held by the Escrow Agent in the General Escrow in respect of such Series F Holder and in the Behrman Escrow in respect of Behrman or SEF, as the case may be. For the purpose of avoidance of doubt, (i) the aggregate liability of the Series F Holders in respect of any claim for indemnification under Section 9.01(a) shall in no event exceed the Series F Indemnification Percentage of such claim, (ii) the aggregate liability of Behrman and SEF in respect of any claim for indemnification under Section 9.01(a) shall in no event exceed the Behrman Indemnification Percentage of such claim, and (iii) if the cash remaining in the Behrman Escrow is insufficient to fund the Behrman Percentage of such claim, the Parent Indemnitees shall not be entitled to indemnification from Behrman, SEF or any Series F Holder in respect of such shortfall, notwithstanding that assets may remain in the General Escrow.

(d) Subject to the limitations and expiration dates contained in Section 10.01 and in this Article 9, Behrman, SEF and each Series F Holder (or, if the Closing shall not have occurred, the Company) shall, severally but not jointly, indemnify, defend and hold harmless the Parent Indemnitees and each of them from and against, and shall pay and/or reimburse the foregoing Persons for, 66.67% of any and all Losses relating to or arising out of any Specified Litigation.

(e) Except as set forth in the second sentence of this paragraph and subject to the additional limitations set forth in Section 9.01(f), Behrman, SEF and the Series F Holders (or, if closing shall not have occurred, the Company) shall not be required to indemnify the Parent Indemnitees with respect to any claim for indemnification pursuant to Section 9.01(d) unless and until the aggregate amount of all claims against Behrman, SEF and the Series F Holders (or, if Closing shall not have occurred, the Company) under Section 9.01(d) exceeds $250,000, at which point Behrman, SEF and the Series F Holders (or, if Closing shall not have occurred, the Company) shall be liable for 66.67% of the excess of the full amount of all such Losses over $250,000. The amount of the indemnifiable portion of any Loss for which indemnification is sought under Section 9.01(d) shall be allocated among Behrman, SEF and the Series F Holders as follows: (a) the Behrman Indemnification Percentage to Behrman and SEF, to the extent there are assets available therefor in the Behrman Escrow, pro rata to their ownership of Daleen Series F Preferred Stock immediately prior to consummation of the Share Exchange, and (b) the Series F Indemnification

Percentage to the Series F Holders, to the extent there are assets available therefor in the Special Escrow, pro rata to their ownership of Daleen Series F Preferred Stock immediately prior to the Effective Time.

(f) The sole remedy of any Parent Indemnitee in respect of any claim for indemnification against Behrman, SEF or the Series F Holders under Section 9.01(d) or otherwise relating to or arising out of any Specified Litigation shall be the right of Parent, exercisable on its own behalf or on behalf of the other Parent Indemnitees, to cause the forfeiture to Parent of such cash or shares of Parent capital stock as are held as are held by the Escrow Agent in the Special Escrow in respect of such Series F Holder and in the Behrman Escrow in respect of Behrman or SEF, as the case may be. For the purpose of avoidance of doubt, (i) the aggregate liability of the Series F Holders in respect of any claim for indemnification under Section 9.01(d) shall in no event exceed the Series F Indemnification Percentage of such claim, (ii) the aggregate liability of Behrman and SEF in respect of any claim for indemnification under Section 9.01(d) shall in no event exceed the Behrman Indemnification Percentage of such claim, and (iii) if the cash remaining in the Behrman Escrow is insufficient to fund the Behrman Percentage of such claim, the Parent Indemnitees shall not be entitled to indemnification from Behrman, SEF or any Series F Holder in respect of such shortfall, notwithstanding that assets may remain in the Special Escrow.

(g) For avoidance of doubt, in no event shall the aggregate liability of Behrman and SEF in respect of all claims for indemnification brought by Parent Indemnitees under Article 9 exceed the amount of the Behrman Escrow.

(a) Subject to the limitations and expiration dates contained in Section 10.01 and in this Article 9 and the rights of the Investor Indemnified Parties (as defined in the Investment Agreement) pursuant to Section 8.2(a) of the Investment Agreement, Parent and Acquisition Sub shall, jointly and severally, indemnify, defend and hold harmless Behrman, SEF and the Series F Holders (and if the Closing shall not have occurred, the Company) and each of their respective directors, officers, managers, employees, equity holders, agents, Affiliates, successors and permitted assigns (collectively, the "Company Indemnitees") and each of them from and against, and shall pay and/or reimburse the foregoing Persons for, any and all Losses, relating to or arising out of the breach of any representation, warranty, covenant or agreement of the Parent or Acquisition Sub contained in this Agreement.

(b) Except as set forth in the second sentence of this paragraph, Parent and Acquisition Sub shall not be required to indemnify the Company Indemnitees with respect to any claim for indemnification pursuant to Section 9.02(a) unless and until the aggregate amount of all claims against Parent and Acquisition Sub under Section 9.02(a) exceeds $250,000, at which point Parent and Acquisition Sub shall be liable for the full amount of all such Losses; provided, however, that the aggregate liability of Parent and Acquisition Sub to the Company Indemnitees shall in no event exceed $966,916. The limitations in the preceding sentence shall not limit in any way the remedies of the Company Indemnitees in respect of fraud or willful misrepresentation.

SECTION 9.02. Procedures. If any party (the "Indemnitee") receives notice of any claim or the commencement of any action or proceeding with respect to which the other party (or parties) is obligated to provide indemnification (the "Indemnifying Party") pursuant to Sections 9.01 or 9.02, the Indemnitee

shall give the Indemnifying Party written notice thereof within a reasonable period of time following the Indemnitee's receipt of such notice. Such notice shall describe the claim in reasonable detail and shall indicate the amount (estimated if necessary) of the Losses that have been or may be sustained by the Indemnitee. The Indemnifying Party may, subject to the other provisions of this Section 9.03, compromise or defend, at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any such matter involving the asserted Liabilities of the Indemnitee in respect of a third-party claim. If the Indemnifying Party elects to compromise or defend such asserted Liabilities, it shall within thirty (30) days (or sooner, if the nature of the asserted Liabilities so requires) notify the Indemnitee of its intent to do so, and the Indemnitee, shall reasonably cooperate, at the request and reasonable expense of the Indemnifying Party, in the compromise of, or defense against, such asserted Liabilities. The Indemnifying Party will not be released from any obligation to indemnify the Indemnitee hereunder with respect to a claim without the prior written consent of the Indemnitee, unless the Indemnifying Party delivers to the Indemnitee a duly executed agreement settling or compromising such claim with no monetary liability to or injunctive relief against the Indemnitee and a complete release of the Indemnitee with respect thereto. The Indemnifying Party shall have the right to conduct and control the defense of any third-party claim made for which it has been provided notice hereunder, other than a third-party claim with respect to breach of a representation or warranty contained in Section 3.15, which shall be conducted and controlled by the Company, provided, that the Company shall act

reasonably and in good faith in the conduct and control thereof and shall consult with the Indemnifying Parties with respect thereto. All costs and fees incurred with respect to any such claim will be borne by the Indemnifying Party. The Indemnitee will have the right to participate, but not control, at its own expense, the defense or settlement of any such claim; provided, that if the Indemnitee and the Indemnifying Party shall have conflicting claims or defenses, the Indemnifying Party shall not have control of such conflicting claims or defenses and the Indemnitee shall be entitled to appoint a separate counsel for such claims and defenses at the cost and expense of the Indemnifying Party. If the Indemnifying Party chooses to defend any claim, the Indemnitee shall make available to the Indemnifying Party any books, records or other documents within its control that are reasonably required for such defense.

SECTION 9.03. Reduction by Insurance Recoveries.

(a) Any payment made to an Indemnitee hereunder shall be net of any insurance proceeds realized by and paid to such Indemnitee in respect of the respective claim (after giving effect to the present value of any costs, increased retentions, premium increases and similar present and future costs and expenses associated with the respective insurance claim). No Indemnitee shall be obligated to make any claim under an insurance policy if the Indemnitee, in its reasonable judgment, believes that the cost of pursuing such insurance claim, together with any corresponding increase in premiums or other costs or expenses, would exceed the value of the claim for which such Indemnitee is seeking indemnification. No Indemnitee shall have any obligation to bring litigation against an insurer or take other action in respect of any insurer's denial, whether in whole or in part, of a claim.

(b) No Indemnitee shall be obligated to recover from or pursue payment

from insurance policies prior to the Indemnifying Person being required to provide indemnification hereunder. The Indemnitee shall provide the Indemnifying Person with prompt written notice of any receipt of insurance proceeds realized in respect of claims for which payment of indemnity has previously been made, and shall make prompt delivery to the Indemnifying Person of such portion of the same as equals the amount by which payment of indemnification would have been reduced pursuant to Section 9.04(a) if such proceeds had been realized prior to the making of such payment of indemnification.

SECTION 9.04. Stockholders' Representative. Behrman and SEF by their execution hereof, and each Series F Holder, by their acceptance of the Merger Consideration, shall be deemed to have designated and appointed Behrman Brothers LLC (the "Behrman Designee") and a party to be named by written consent of Series F Holders holding a majority of the shares of Series F Preferred Stock held by the Series F Holders (the "Series F Designee") with full power of substitution (jointly, the "Stockholders' Representative") as the representative of each such stockholder, to perform all such acts as are required, authorized or contemplated by this Agreement and by the Escrow Agreement to be performed by them pursuant to Section 2.05 and Article IX hereof and the Escrow Agreement, and hereby acknowledges that the Stockholders' Representative shall be the only person authorized to take any action so required, authorized or contemplated by Section 2.05 and Article IX hereof and the Escrow Agreement. Prior to the date on which

all funds in the Behrman Escrow shall have been exhausted by delivery to Parent Indemnitees, both the Behrman Designee and the Series F Designee shall be required to sign any instruction or other instrument on behalf of the Stockholders Representative for such instrument to be effective. The Behrman Designee or its designated successor (as appointed by Behrman) shall be deemed to have ceased to be included in the definition of the Stockholders' Representative on such date as all funds in the Behrman Escrow have been exhausted, and thereafter the Seires F Designee or its designated successor shall have sole authority to act as Stockholders' Representative except to the extent any action undertaken or proposed to be undertaken under such sole authority could reasonably be expected to adversely affect Behrman or SEF, in which case the consent of Behrman shall be required. The Stockholders' Representative shall act as the representative of Behrman, SEF, and each Series F Holders under Section 2.05 and this Article IX and the Escrow Agreement, and shall be authorized to act on behalf of Behrman, SEF, and each Series F Holders and to take any and all actions required or permitted to be taken by the Stockholders' Representative under Section 2.05 and this Article IX or the Escrow Agreement with respect to any claims (including the settlement thereof) made by any Parent Indemnitees for indemnification pursuant to Section 2.05 and this Article IX of the Agreement and with respect to any actions to be taken by the Stockholders' Representative pursuant to the terms of the Escrow Agreement. Behrman, SEF, and each Series F Holders shall be bound by all actions taken by the Stockholders' Representative in its capacity thereof. The Stockholders' Representative shall promptly, and in any event within five business days, provide written notice to Behrman, SEF, and each Series F Holders of any action taken on behalf of Behrman, SEF, and each Series F Holders by the Stockholders' Representative pursuant to the authority delegated to the Stockholders' Representative under this Section 9.05. Each of Behrman, SEF and the Series F Holders is thereby deemed to have further acknowledged that the foregoing appointment and designation shall be deemed to be coupled with an interest and

shall survive the death or incapacity of such stockholder. Each of Behrman, SEF and the Series F Holders is thereby deemed to have authorized the other parties hereto to disregard any notice or other action taken by such stockholder pursuant to Section 2.05 and Article IX hereof and the Escrow Agreement except for the Stockholders' Representative. The other parties hereto are and will be entitled to rely on any action so taken or any notice given by the Stockholders' Representative and are and will be entitled and authorized to give notices only to the Stockholders' Representative for any notice contemplated by Section 2.05 and Article IX hereof and the Escrow Agreement to be given to any such stockholder. The Stockholders' Representative may be replaced, and any successor thereto appointed, by written consent executed by (a) Behrman in respect of the Behrman Designee and its designated successors and (b) Series F Holders holding a majority of the shares of Daleen Series F Preferred Stock held by all Series F Holders as of the Effective Time in respect of the Series F Designee and his designated successors, with such written consent to be delivered to Parent and the Escrow Agent not later than the fifth business day after the execution and delivery thereof. The Stockholders' Representative shall not be liable for any act done or omitted in such capacity while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advise of counsel shall be conclusive evidence of such good faith. Behrman, SEF and each Series F Holder shall, by their execution hereof or their acceptance of the Merger Consideration, as the case may be, be deemed to have agreed to severally indemnify the

Stockholders' Representative and hold it harmless against any loss, liability or expense incurred without gross negligence or bad faith on the part of the Stockholders' Representative and arising out of or in connection with the acceptance or administration each of their duties hereunder. For the avoidance of doubt, the Stockholders' Representative is not authorized to take any action in the name of Behrman, SEF or any Series F Holder other than as expressly required, authorized or contemplated by Section 2.05 and Article IX hereof and the Escrow Agreement, and shall not have authority to enter into any amendment, waiver or modification of this Agreement (including Section 2.05 and Article IX hereof), which amendments, waivers and modifications are solely governed by Section 8.04.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01. Survival of Representations and Warranties. The representations and warranties in this Agreement shall survive until the thirtieth day after the receipt of the audited financial statements for the Company for the fiscal year ended December 31, 2005 or the earlier termination of this Agreement pursuant to Section 8.01, as the case may be. The agreements and covenants set forth in this Agreement shall survive the Closing until the performance thereof, and those set forth in Sections 6.08, 8.02, 8.03, Article IX and Article X shall survive termination of this Agreement indefinitely.

SECTION 10.02. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by cable, facsimile, telegram or telex or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following

addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.02):

if to Parent or Acquisition Sub after the Effective Time, in care of:

Quadrangle Group LLC
375 Park Avenue
New York, New York 10152
Attention: Chief Financial Officer
Facsimile number: (212) 418-1740

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

Weil, Gotshal & Manges, LLP
100 Federal Street
Boston, MA 02110
Attention: James Westra, Esq.
Facsimile: (617) 772-8333

if to the Company:

Chief Executive Officer
Daleen Technologies, Inc.
902 Clint Moore Road
Boca Raton, Florida 33487
Facsimile: (561) 999-8080

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

Robert P. Zinn, Esq.
Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, PA 15222
Facsimile: (412) 355-6501

SECTION 10.03. Certain Definitions; Interpretation.

(a) For purposes of this Agreement and its Exhibits and schedules, the following terms shall have the following meanings unless the context otherwise clearly requires:

"13E-3" shall have the meaning given to it in Section 3.08.

"Acquisition Sub" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"affiliate" of a specified person means a person who directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, such specified person;

"Agreement" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Behrman" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"beneficial owner" with respect to any shares means a person who shall be deemed to be the beneficial owner of such shares (i) which such person or any of its affiliates or associates (as such term is defined in Rule 12b-2 promulgated under the Exchange Act) beneficially owns, directly or indirectly; (ii) which such person or any of its affiliates or associates has, directly or indirectly, (A) the right to acquire (whether such right is exercisable immediately or subject only to the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise

of consideration rights, exchange rights, warrants or options, or otherwise, or (B) the right to vote pursuant to any agreement, arrangement or understanding; or (iii) which are beneficially owned, directly or indirectly, by any other persons with whom such person or any of its affiliates or associates or any person with whom such person or any of its affiliates or associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any such shares;

"business day" means any day on which the principal offices of the SEC in Washington, D.C. are open to accept filings or, in the case of determining a date when any payment is due, any day on which banks are not required or authorized to close in the City of New York, New York;

"Bridge Loan Facility" means that certain Working Capital Facility Agreement of even date herewith between the Company and Protek, together with the other instruments and agreements contemplated thereby.

"Certificate of Merger" shall have the meaning given to it in Section 1.03;

"Closing" shall have the meaning given to it in Section 1.03;

"Code" shall have the meaning given to it in Section 2.03(h);

"Company" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Company 2003 Balance Sheet" shall have the meaning given to it in Section 3.07;

"Company Disclosure Schedule" shall have the meaning given to it in Section 3.01;

"Company Indemnitees" shall have the meaning given to it in Section 9.02;

"Company Intellectual Property" shall have the meaning given to it in Section 3.14(a);

"Company Material Adverse Effect" shall mean any material adverse

change in or effect upon the financial condition, business, operations or assets of the Company and its Subsidiaries taken as a whole, or upon the ability of the Company to consummate the transactions contemplated hereby, other than

(a) changes of a general economic character applicable to all industries in a material region of the operations of the Company and Company Subs;

(b) changes resulting from the performance by the Company of its express obligations under this Agreement;

(c) changes resulting from actions consented to by Buyer under Section 5.01;

(d) changes resulting from the incurrence of Company Transaction Expenses;

(e) changes resulting from or relating to any Specified Litigation; and

(f) the realization of any contingent liability expressly disclosed in the Company Disclosure Schedules, but solely if and to the extent of the specific dollar amount of such liability disclosed on such Schedule.

"Company Options" shall have the meaning given to it in Section 2.04(b);

"Company Permits" shall have the meaning given to it in Section 3.06;

"Company Proxy Statement" shall have the meaning given to it in Section 3.08;

"Company SEC Reports" shall have the meaning given to it in Section 3.07;

"Company Stockholders Meeting" shall have the meaning given to it in Section 6.01;

"Company Stock Option Plans" shall have the meaning given to it in Section 2.04(b);

"Company Transaction Expenses" means any and all Transaction Expenses of the Company and its Subsidiaries, including (a) any and all management retention bonuses, (b) any and all Taxes, costs and expenses associated with options, (c) any and all fees payable to any Person pursuant to any agreement disclosed on Schedule 3.21, (d) any and all payments to be made by the Company or Parent under any Transaction Agreement, (e) any and all payments, costs and expenses relating to or arising out of a Specified Litigation, (f) any and all other costs and expenses incurred by the Company or any Subsidiary in order to perform its covenants and obligations hereunder, and (g) any one-time accounting charges relating to or arising out of this Agreement, any other Transaction Agreement, or any transaction

contemplated hereby or thereby.

"Competing Transaction" shall have the meaning given to it in Section 6.05;

"control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to director cause the direction of the management and policies of a person,

whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise;

"Daleen Common Stock" shall have the meaning given to it in Section 1.01(d);

"Daleen Series F Preferred Stock" shall have the meaning given to it in Section 1.01(a);

"DGCL" shall have the meaning given to it in Section 1.02;

"Dissenting Shares" shall have the meaning given to it in Section 2.01(g);

"Dissenting Stockholder" shall have the meaning given to it in Section 2.01(g);

"Effective Time" shall have the meaning given to it in Section 1.03;

"Election Date" shall have the meaning given to it in Section 2.02(c);

"Environmental Laws" shall have the meaning given to it in Section 3.16;

"Equity Election" shall have the meaning given to it in Section 2.02(a);

"Equity Election Consideration" shall have the meaning given to it in Section 2.02(a);

"Equity Election Notice" shall have the meaning given to it in Section 2.02(c);

"ERISA" shall have the meaning given to it in Section 3.11;

"Escrow Agent" shall mean SunTrust Bank as escrow agent under the Escrow Agreement and any successor escrow agent as appointed in accordance therewith;

"Escrow Agreement" shall have the meaning given to it in Section 2.05;

"Exchange Act" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Exchange Agent" shall have the meaning given to it in Section 2.02(b);

"Exchange Fund" shall have the meaning given to it in Section 2.03(f);

"Exchanged Shares" shall have the meaning given to it in Section 1.01;

"GAAP" means generally accepted accounting principles in the United States, as in effect from time to time, applied on a consistent basis for the period involved;

"Governmental Entity" means any United States (federal, state or local) or foreign government, or governmental, regulatory or administrative authority, agency or commission;

"Hazardous Substances" shall have the meaning given to it in Section 3.16;

"Indemnifying Party" shall have the meaning given to it in Section 9.03;

"Indemnitee" shall have the meaning given to it in Section 9.03;

"Investment Agreement" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"IRS" shall have the meaning given to it in Section 3.11(b);

"knowledge of the Company" means the actual knowledge of Gordon Quick, David McTarnaghan, Jeanne Praythe r, John Trecker, William McCausland and Dawn Landry after their conducting reasonable inquiries of the appropriate employees of the Company;

"Laws" shall have the meaning given to it in Section 3.05;

"Liabilities" means any and all debts, liabilities or obligations (including guarantees), whether absolute or contingent, asserted or unasserted, accrued or unaccrued, known or unknown, liquidated or unliquidated, matured or unmatured, direct or by way of indemnification, due or to become due, or fixed or unfixed;

"Lien" means and includes any lien, pledge, mortgage, security interest, claim, lease, charge, option, right of first refusal or offer, easement, servitude, transfer restriction or voting requirement under any or similar agreement, or any other encumbrance, restriction or limitation whatsoever;

"Losses" shall have the meaning given to it in Section 9.01;

"Material Contracts" shall have the meaning given to it in Section 3.17;

"Merger" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Merger Closing" shall have the meaning given to it in Section 1.03;

"Ordinary Course" shall mean, in respect of any person, the ordinary course of business of such person consistent with past practice, including with respect to

policies concerning revenue recognition, pre-paid revenue, work in progress, expected profit contribution from new contracts and in the aggregate, revenue from hardware as a percent of revenue from individual contracts, settlement of contractual disputes with customers (but excluding any such settlement that would result in a payment that would, if made after the date hereof, require the consent of Parent under Section 5.01(l)), payables management, research and development expenditures and all other items that affect the income, cash flow and balance sheet of such Person. For the purpose of avoidance of doubt, special distributions or bonuses to employees or shareholders or any other distributions and dividends to equityholders shall be considered outside of the Ordinary Course.

"person" means an individual, corporation, partnership, limited partnership, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision, agency or instrumentality of a government;

"Parent Common Stock" shall mean the Common Stock, par value $0.01 per share, of Parent;

"Parent Common Stock Value" shall have the meaning given to it in Section 1.01;

"Parent Disclosure Schedule" shall have the meaning given to it in Section 4.04;

"Parent Indemnitees" shall have the meaning given to it in Section 9.01;

"Parent Material Adverse Effect" shall mean any material adverse change in or effect upon the financial condition, business, operations or assets of Parent and Acquisition Sub taken as a whole, or upon the ability of Parent or Acquisition Sub to consummate the transactions contemplated hereby, other than

(a) changes of a general economic character applicable to all industries in a material region of the operations of the Parent and Acquisition Sub;

(b) changes resulting from the performance by the Parent and Acquisition Sub of their express obligations under this Agreement;

(c) changes resulting from or relating to any Specified Litigation;

(d) changes resulting from the incurrence of Transaction Expenses; and

(e) matters in respect of Protek that are excluded from the definition of "Company Material Adverse Effect" in the Protek Agreement.

"Parent PIK Preferred" shall mean the Series A-1 Redeemable Convertible PIK Preferred Stock, par value $0.01 per share, of Parent, having the designations, preferences, privileges and other rights set forth in the Certificate of Designations in respect thereof;

"Parent PIK Value" shall have the meaning given to it in Section 1.01;

"Parent Series A PIK Preferred" shall mean the Series A Redeemable Convertible PIK Preferred Stock, par value $0.01 per share, of Parent, having the designations, preferences, privileges and other rights set forth in the Certificate of Designations in respect thereof;

"Plans" shall have the meaning given to it in Section 3.11;

"Policies" shall have the meaning given to it in Section 3.24;

"Protek" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Protek Agreement" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Quadrangle" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Release" shall have the meaning given to it in Section 3.16(a);

"SEC" shall have the meaning given to it in Section 2.02(c);

"SEC Transaction Filings" shall have the meaning given to it in Section 3.08;

"Securities Act" shall have the meaning given to it in Section 3.05;

"SEF" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Series F Holder" means each record holder of Series F Preferred Stock as of the Effective Time, other than Behrman and SEF;

"Series F Group" shall have the meaning given to it in Section 2.01(a);

"Series F Value" shall have the meaning given to it in Section 1.01(c);

"Share" shall have the meaning given to it in Section 2.01(d);

"Share Exchange" shall have the meaning given to it in the introductory paragraphs to this Agreement;

"Share Exchange Closing" shall have the meaning given to it in Section 1.01;

"Share Exchange Consideration" shall have the meaning given to it in Section 1.01;

"Specified Litigation" means any litigation that is or is of a type described on Schedule 10.03 and subject to the limitations set forth thereon;

"Stockholders Agreement" shall mean an agreement among Parent, Quadrangle, Behrman, SEF and certain of Parents other stockholders in substantially the form attached as Exhibit D;

"Subsidiary" shall have the meaning given to it in Section 3.01;

"subsidiary" or "subsidiaries" of any person means any corporation, partnership, joint venture or other legal entity of which such person (either above or through or together with any other subsidiary), owns, directly or indirectly, more than 50% of the stock or other equity interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity;

"Surviving Corporation" shall have the meaning given to it in Section 1.02;

"Tax" means (i) any net income, capital gains, gross income, gross receipts, sales, use, transfer, ad valorem, franchise, profits, license, capital, inventory, capital stock, social security, unemployment, value added, withholding, payroll, employment, excise, goods and services, severance, stamp, occupation, premium, property, windfall profits or other tax, charge, fee, levy, custom duties, or other similar charge imposed by a taxing authority of the United States or any state, local, or foreign government or agency or subdivision thereof, including any interest, penalties, additions to tax, or additional amounts accrued under applicable law or charged by any taxing authority and (ii) any liability in respect of any items described in clause (i) as a transferee, pursuant to Treasury Regulation Section 1.1502-6 (or a similar provision of state, local or foreign law) or as an indemnitor, guarantor, surety or in a similar capacity under any contract, arrangement, agreement, understanding or commitment, whether oral or written;

"Tax Return" means any return, declaration, report, claim for refund, or information return or other statement in relation to Taxes, including any schedule or attachment thereto or amendment thereof;

"Transaction Agreements" means (a) this Agreement, (b) the Protek Agreement, (c) the Investment Agreement, (d) the Protek Bridge Agreement, (e) the Subordinated Bridge Loan Agreement by and among the Company, Behrman, and SEF and (f) the Transaction Support Agreement, together with each other Contract to be entered into at Closing that is attached as an exhibit to any of the foregoing;

"Transaction Expenses" shall have the meaning given to it in the Transaction Support Agreement;

"Transaction Support Agreement" means the Transaction Support Agreement of even date herewith by and among the Company, Parent, Quadrangle, Behrman, SEF, Protek and the Specified Sellers (as defined in the Protek Agreement);

"Voting Agreement" shall have the meaning given to it in the introductory paragraphs to this Agreement; and

"VRC" shall Valuation Research Corporation, financial advisor to the Company;

(f) When the context in which words are used in this Agreement indicates that such is the intent, words used in the singular shall have a comparable meaning when used in the plural, and vice versa; pronouns stated in the masculine, feminine or neuter shall include each other gender.

(g) Section and Schedule references are to this Agreement, unless otherwise specified; provided, that all references to Schedules in Article III mean the specific Schedules included in the Company Disclosure Schedule and all references to Schedules in Article IV mean the specific Schedules included in the Parent Disclosure Schedule.

(h) The Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

(i) The term "including" is not limiting and means "including, without limitation."

(j) Unless the context clearly requires otherwise, the term "and" is not limiting and means "and/or."

(k) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(l) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement, and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or

interpreting such statute or regulation.

(m) This Agreement and the other agreements contemplated by this Agreement are the result of negotiations among, and have been reviewed by counsel to, the parties hereto and are the products of all the parties. Accordingly, they shall not be construed against any party hereto merely because of the nature or extent of such party's involvement in their preparation.

(n) "Dollars" or "$" means the currency of the U.S. that, as at the time of payment, is legal tender for the payment of public and private debts.

(o) The words "hereto," "herewith," "hereof," "hereby," "herein" and "hereunder" refer to this Agreement.

SECTION 10.04. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Merger and the other transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Merger and the other transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

SECTION 10.05. Entire Agreement; Assignment. This Agreement, together with the other Transaction Agreements, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof. This Agreement shall not be assigned by operation of law or otherwise, except that Parent and Acquisition Sub may assign all or any of their rights and obligations hereunder to any affiliate of Parent provided that no such assignment shall relieve the assigning party of its obligations hereunder if such assignee does not perform such obligations.

SECTION 10.06. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Section 6.06 (which

is intended to be for the benefit of the persons covered thereby and may be enforced by such persons).

SECTION 10.07. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

SECTION 10.08. Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that State.

SECTION 10.09. Consent to Jurisdiction.

(a) EACH OF PARENT, THE COMPANY, ACQUISITION SUB, BEHRMAN AND SEF HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS OF THE STATE OF NEW YORK AND TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, FOR THE PURPOSE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND EACH OF PARENT, THE COMPANY, ACQUISITION SUB, BEHRMAN AND SEF HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT TO SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED EXCLUSIVELY IN ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE CITY OF NEW YORK. EACH OF PARENT, THE COMPANY AND ACQUISITION SUB AGREES THAT A FINAL JUDGMENT IN ANY ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(b) EACH OF PARENT, THE COMPANY, ACQUISITION SUB, BEHRMAN AND SEF IRREVOCABLY CONSENTS TO THE SERVICE OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS IN ANY OTHER ACTION OR PROCEEDING RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, ON BEHALF OF ITSELF OR ITS PROPERTY, BY THE PERSONAL DELIVERY OF COPIES OF SUCH PROCESS TO SUCH PARTY. NOTHING IN THIS SECTION 10.09 SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

SECTION 10.10. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.11. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different

parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 10.12 Waiver of Jury Trial. EACH OF THE COMPANY, PARENT, ACQUISITION SUB, BEHRMAN AND SEF ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY OR DISPUTE THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE COMPANY, PARENT, ACQUISITION SUB, BEHRMAN AND SEF CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS

SECTION 10.12.

[Remainder of page intentionally left blank; signature page follows]

Intending to be bound hereby, Parent, Acquisition Sub, the Company, Behrman and SEF have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

DALEEN HOLDINGS, INC.

By: /s/ Gordon Quick

Name: Gordon Quick

Title: Chief Executive Officer

PARALLEL ACQUISITION, INC.

By: /s/ Gordon Quick

Name: Gordon Quick

Title: Chief Executive Officer

DALEEN TECHNOLOGIES, INC.

By: /s/ Gordon Quick

Name: Gordon Quick

Title: President & Chief Executive Officer

BEHRMAN CAPITAL II, L.P.

By : Behrman Brothers, LLC, its General Partner

By: /s/ Grant Behrman

Name: Grant Behrman

Title: Managing Member

STRATEGIC ENTREPRENEUR FUND II, L.P.

By: /s/ Grant Behrman

Name: Grant Behrman

Title: General Partner

Exhibit 2

VOTING AGREEMENT

This VOTING AGREEMENT (this "Agreement") is made as of May 7, 2004, by and between Behrman Capital II, L.P., a Delaware limited partnership ("Behrman") and Strategic Entrepreneur Fund II, L.P. ("SEF" and collectively with Behrman, the "Stockholders"), and Quadrangle Capital Partners LP, a Delaware limited partnership ("QCP"), Quadrangle Select Partners LP, a Delaware limited partnership ("QSP"), Quadrangle Capital Partners-A LP, a Delaware limited partnership ("QCP-A" and collectively with QCP and QSP, "Quadrangle").

Behrman holds, beneficially and of record, 21,342,454 shares of the common stock, par value $0.01 per share, of Daleen Technologies, Inc., a Delaware corporation ("Daleen"), and 220,596 shares of the Series F Preferred Stock, par value $0.01 per share, of Daleen. SEF holds, beneficially and of record, 289,379 shares of the common stock, par value $0.01 per share, of Daleen and 2,992 shares of the Series F Preferred Stock, par value $0.01 per share, of Daleen. Daleen and Quadrangle have entered into negotiations with one another and certain other interested parties with respect to a series of transactions whereby (a) certain designated affiliates of Quadrangle and certain stockholders of Daleen shall make an investment into equity of a newly formed holding company, Daleen Holdings, Inc. ("Newco"), pursuant to an Investment Agreement in substantially the form of the draft thereof dated May 7, 2004 (the "Investment Agreement"), (b) such holding company shall buy the outstanding stock of Protek Telecommunications Solutions Ltd, a company organized under the laws of England and Wales, pursuant to a Stock Purchase Agreement in substantially the form of the draft thereof dated May 7, 2004 (the "Stock Purchase Agreement"), and (c) a newly formed acquisition subsidiary of such holding company, Parallel Acquisition, Inc. (the "Acquisition Sub"), shall merge with and into Daleen (the "Merger"), pursuant to and with the effects set forth in an Agreement and Plan of Merger and Share Exchange in substantially the form of the draft thereof dated May 7, 2004 (the "Merger Agreement").

It is a condition to the execution and delivery of the Investment Agreement, the Stock Purchase Agreement and the Merger Agreement that the Stockholder execute and deliver this Agreement committing to vote for and consent to the Merger Agreement and the Merger and related transactions contemplated thereby (together, the "Contemplated Transactions"), and consent to the waiver of certain provisions of the certificate of incorporation of Daleen.

Accordingly, the parties hereto agree as follows:

Section 1. Representations, Warranties and Covenants. Each Stockholder hereby represents, warrants and covenants to Quadrangle as follows:

(a) Title. As of the date hereof, after giving effect to the transactions contemplated by the Subordinated Bridge Loan Agreement of even date

herewith among Daleen, Behrman Capital II, L.P. and the other parties thereto, such Stockholder owns beneficially and of record the number of shares of each class of capital stock of Daleen set forth after the Stockholder's name on Exhibit A hereto, which shares shall (together with any Additional Shares as defined in Section 11 of this Agreement) collectively be referred herein as the "Shares." The term "beneficial owner" and all correlative expressions are used in this Agreement as defined in Rules 13d-3 and 16a-1 under the Securities Exchange Act of 1934, as amended (the "1934 Act").

(b) Right to Vote. As of the date hereof, after giving effect to the transactions contemplated by the Subordinated Bridge Loan Agreement of even date herewith among Daleen, Behrman Capital II, L.P. and the other parties thereto, and as of date of each vote or consent of the Stockholder through and including the Closing Date, except for this Agreement or as otherwise permitted by this Agreement, such Stockholder has full legal power, authority and right to vote all of the Shares in favor of the approval and authorization of the Merger Agreement, the merger contemplated thereby, and each of the other transactions and waivers contemplated by this Agreement and the Merger Agreement (collectively, the "Daleen Proposals") without the consent or approval of, or any other action on the part of, any other person or entity. Without limiting the generality of the foregoing, such Stockholder has not entered into any voting agreement with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust or entered into any arrangement or agreement with any person or entity limiting or affecting its legal power, authority or right to vote the Shares in favor of the Daleen Proposals except for this Agreement.

From and after the date hereof, except as otherwise permitted by this Agreement or prohibited by order of a court of competent jurisdiction, such Stockholder will not commit any act that could restrict or otherwise affect its legal power, authority and right to vote all of the Shares in favor of the Daleen Proposals. Without limiting the generality of the foregoing, except for this Agreement and as otherwise permitted by this Agreement, from and after the date hereof, such Stockholder will not enter into any voting agreement with any person or entity with respect to any of the Shares, grant any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposit any of the Shares in a voting trust or otherwise enter into any agreement or arrangement with any person or entity limiting or affecting such Stockholder's legal power, authority or right to vote the Shares in favor of the approval of the Daleen Proposals.

(c) Authority. Such Stockholder has full legal power, authority and right to execute and deliver, and to perform his or its obligations under, this Agreement. This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a valid and binding agreement of such Stockholder enforceable against such Stockholder in accordance with its terms, subject to (i) bankruptcy, insolvency, moratorium and other similar laws now or hereafter in effect relating to or affecting creditors rights generally and (ii)

general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(d) Conflicting Instruments. The execution and delivery of this Agreement and the performance by such Stockholder of his or its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which such Stockholder is a party or by which such Stockholder (or any of his or its assets) is bound, except for any such breach, violation, conflict or default which, individually or in the aggregate, would not impair or adversely affect such Stockholder's ability to perform its obligations under this Agreement.

(e) Transaction Documents. Quadrangle has delivered to the Stockholder, and the Stockholder has had the opportunity to review and receive the advice of counsel

regarding, drafts, each dated May 7, 2004, of the Investment Agreement, the Stock Purchase Agreement, and the Merger Agreement, together with the material exhibits to each.

Section 2. Restrictions on Transfer. Until the termination of this Agreement in accordance with its terms, each Stockholder agrees not to Transfer (or to agree to Transfer) any Shares owned of record or beneficially by such Stockholder. "Transfer" means, with respect to any security, the direct or indirect assignment, sale, transfer, tender, pledge, hypothecation, or the grant, creation or sufferage of a lien or encumbrance in or upon, or the gift, placement in trust, or the constructive sale or other disposition of such security (including transfers by testamentary or intestate succession) or any right, title or interest therein (including but not limited to any right or power to vote to which the holder thereof may be entitled, whether such right or power is granted by proxy or otherwise), or the record or beneficial ownership thereof, the offer to make such a sale, transfer, constructive sale or other disposition, and each agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing. The term "constructive sale" means a short sale with respect to such security, entering into or acquiring an offsetting derivative contract with respect to such security, entering into or acquiring a futures or forward contract to deliver such security or entering into any other hedging or other derivative transaction that has the effect of materially changing the economic benefits and risks of ownership.

Section 3. Agreement to Vote. Until the termination of this Agreement in accordance with its terms, each Stockholder hereby irrevocably and unconditionally agrees to vote or to cause to be voted all of the Shares, to the extent the Shares carry the right to vote thereon, at any other annual or special meeting of stockholders of Daleen where any such proposal is submitted, and in connection with any written consent of stockholders (including, without

limitation, any vote or consent of any class or series of stockholders to which such Stockholder belongs), (a) in favor of the Daleen Proposals and (b) against (i) approval of any proposal made in opposition to or in competition with the Merger or any other Contemplated Transaction, (ii) any merger, consolidation, sale of assets, business combination, share exchange, reorganization or recapitalization of Daleen or any of its subsidiaries, with or involving any party other than as contemplated by the Merger Agreement, (iii) any liquidation or winding up of Daleen, (iv) any extraordinary dividend by Daleen, (v) any amendment of the bylaws or certificate of incorporation of Daleen and any change in the capital structure of Daleen (in each case other than pursuant to the Merger Agreement or as provided in Section 5 hereof) and (vi) any other action that may reasonably be expected to impede, interfere with, delay, postpone or attempt to discourage the consummation of the Merger or any other Contemplated Transaction or result in a breach of any of the covenants, representations, warranties or other obligations or agreements of Daleen under the Merger Agreement which would materially and adversely affect Quadrangle, Newco or Daleen or their respective abilities to consummate the Merger or any other Contemplated Transaction.

Section 4. Granting of Proxy. In furtherance of the terms and provisions of this Agreement, each Stockholder hereby grants an irrevocable proxy (subject to Section 10(b) of the 1934 Act), coupled with an interest, to Michael Huber in his capacity as a managing partner of QCP (each a "Proxy Holder"), to vote all of the Shares beneficially owned by such Stockholder in favor of the Daleen Proposals and in accordance with the provisions of Section 3. Each Stockholder hereby ratifies and approves of each and every action taken by any Proxy Holder pursuant to the foregoing proxy. Notwithstanding the foregoing, if requested by Quadrangle,

each Stockholder will execute and deliver applicable proxy material in furtherance of the provisions of Section 3 and this Section 4.

Section 5. Written Consent.

(a) Each Stockholder hereby consents, in respect of any and all shares of Series F Preferred Stock included within the Shares, to the waiver of the mandatory redemption provisions set forth in Article FOURTH, Part B-VII, Section 5 of Daleen's Amended and Restated Certificate of Incorporation, in respect of the Merger and the Contemplated Transactions.

(b) Each Stockholder hereby approves, consents, ratifies, and waives all objection to the Merger Agreement, the Merger, the form and valuation of the consideration to be paid or delivered to such Stockholder in connection with the Merger as contemplated by the Merger Agreement, and the conditions attached thereto, including, without limitation, the escrow provided for thereunder, and hereby agrees that, effective upon signing, it shall become party to the Stockholders Agreement (as defined in the Merger Agreement), and that its

execution of this Agreement shall constitute its joinder to the same. Without limitation of the generality of the foregoing, each Stockholder hereby approves, consents, ratifies, and waives all objection to the appointment of a Stockholders' Representative pursuant to Section 9.05 of the Merger Agreement, to have and exercise all such powers on behalf of the Stockholders as are described therein, and each Stockholder acknowledges and assumes the obligations of such Stockholder as set forth in Section 9.05 of the Merger Agreement.

(c) In consideration of the benefits to be derived by each Stockholder from the consummation of the Contemplated Transactions, such Stockholder hereby agrees and consents in writing to the amendment of each Warrant issued to such Stockholder and any other holder of warrants issued in connection with the Asset Purchase Agreement, dated as of October 7, 2002, by and among Daleen Technologies, Inc., Daleen Solutions, Inc. and Abiliti Solutions, Inc. and the Investment Agreement, dated as of October 7, 2002, by and among Daleen Technologies, Inc., Behrman Capital II, L.P. and Strategic Entrepreneur Fund II, L.P., (such warrants collectively, the "2002 Warrants") as follows:

(i) Section 2.1 of each 2002 Warrant is amended to add the following new text at the end thereof: "Notwithstanding the foregoing, this Warrant shall not be exercisable at any time during the period beginning on May 7, 2004, and continuing through the earlier of (a) the occurrence of the Effective Time as defined in the Agreement and Plan of Merger and Share Exchange, dated as of May 7, 2004 (the "Merger Agreement"), by and among Daleen Technologies, Inc., Daleen Holdings, Inc., and Parallel Acquisition, Inc., it being understood that the Exercise Period shall have terminated immediately prior to the Effective Time and this Warrant shall as a result terminate and no longer be exercisable, and (b) the termination of the Merger Agreement in accordance with its terms."

(ii) Section 5.7 of each 2002 Warrant is amended to add the following language at the end thereof: "Notwithstanding anything in this Section 5.7 or elsewhere

in this Warrant to the contrary, this Section 5.7 shall not apply to the transactions contemplated by the Merger Agreement."

(iii) Section 11 of each 2002 Warrant is amended to add the following new text at the end of the first sentence of the definition of "Exercise Period" therein prior to the period thereof: "; provided, further, that rights of exercise shall be suspended during the period specified in Section 2.1 in respect of the Merger Agreement, and that the Exercise Period shall terminate immediately prior to the Effective Time as defined in the Merger Agreement, with the effect that, should the transactions consummated by the Merger Agreement be consummated, this Warrant will, if not exercised prior to May 7, 2004, terminate without further right of exercise."

(d) Each Stockholder acknowledges and agrees that Daleen shall be an intended third-party beneficiary of this Section 5.

Section 6. No Solicitation. Each Stockholder shall not, directly or indirectly, through any officer, director, agent or otherwise, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), or take any other action to facilitate knowingly, any inquiries about or the making of any proposal that Daleen enter into any Competing Transaction (as such term is defined in the Merger Agreement), or enter into or maintain or continue discussions or negotiate with any person or entity in furtherance of such inquiries or to obtain a Competing Transaction, or agree to or endorse any Competing Transaction or withdraw or modify or propose publicly to withdraw or modify the approval or recommendation of the Board of Directors of Daleen of the Merger Agreement, the tender of Shares pursuant to the Share Exchange (as such term is defined in the Merger Agreement), the Merger or any other transaction contemplated by the Merger Agreement, or authorize or permit any person to take any such action, and such Stockholder shall notify Daleen and Parent orally (within one (1) business day) and in writing (as promptly as practicable) after receipt by any officer or director of such Stockholder or any investment banker, financial advisor or attorney retained by such Stockholder, of any inquiry concerning, or proposal for, a Competing Transaction, or of any request for nonpublic information relating to Daleen or any of its subsidiaries either in connection with such an inquiry or proposal or when such request for nonpublic information could reasonably be expected to lead to such a proposal; provided, however, that nothing in this Agreement shall be deemed to limit the actions that may be taken by any partner, manager, employee, agent or other representative of such Stockholder solely in their capacity as a director of Daleen or otherwise to modify Section 6.05 of the Merger Agreement.

Section 7. Reserved.

Section 8. No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with his or its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of his or its right to exercise any such or other right, power or remedy or to demand such compliance.

Section 9. No Partnership, Agency, or Joint Venture. This Agreement is intended to create, and creates, a contractual relationship and is not intended to create, and does not create, any agency, partnership, joint venture or any like relationship between the parties hereto.

Section 10. Entire Agreement. This Agreement embodies the entire agreement and understanding among the parties relating to the subject matter hereof and

supersedes all prior agreements and understandings relating to such subject matter other than the Merger Agreement and any other agreement, document or instrument expressly referenced therein.

Section 11. Expenses. Except as may be otherwise provided in this Agreement or the Merger Agreement, each party shall bear his or its own expenses incurred in connection with this Agreement and the transactions contemplated hereby.

Section 12. Invalid Provisions. If any provision of this Agreement shall be invalid or unenforceable under applicable law, such provision shall be ineffective to the extent of such invalidity or unenforceability only, without it affecting the remaining provisions of this Agreement.

Section 13. Specific Performance. The parties hereto agree that the failure for any reason of a Stockholder to perform any of his or its agreements or obligations under this Agreement would cause irreparable harm or injury to Quadrangle with respect to which money damages would not be an adequate remedy. Accordingly, each Stockholder agrees that, in seeking to enforce this Agreement against such Stockholder, Quadrangle shall be entitled to specific performance and injunctive and other equitable relief in addition to any other remedy available at law, equity or otherwise.

Section 14. GOVERNING LAW; SUBMISSION TO JURISDICTION. THE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE DOMESTIC LAWS OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE. EACH OF THE PARTIES HERETO IRREVOCABLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT HEREOF BROUGHT BY ANY OTHER PARTY HERETO OR ITS SUCCESSORS OR ASSIGNS SHALL BE BROUGHT AND DETERMINED IN THE STATE AND FEDERAL COURTS OF THE STATE OF DELAWARE, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS WITH REGARD TO ANY SUCH ACTION OR PROCEEDING FOR ITSELF AND IN RESPECT TO ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, TO THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, COUNTERCLAIM OR OTHERWISE, IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, ANY CLAIM (A) THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE AFORESAID COURTS FOR ANY REASON, (B) THAT IT OR ITS PROPERTY IS EXEMPT OR IMMUNE

FROM JURISDICTION OF ANY SUCH COURT OR FROM ANY LEGAL PROCESS COMMENCED IN SUCH COURTS (WHETHER THROUGH SERVICE OF JUDGMENT, EXECUTION OF JUDGMENT, OR OTHERWISE), AND (C) TO THE FULLEST EXTENT PERMITTED BY THE APPLICABLE LAW, THAT (I) THE SUIT, ACTION OR PROCEEDING IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM, (II) THE VENUE OF SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER AND (III)

THIS AGREEMENT, OR THE SUBJECT MATTER HEREOF, MAY NOT BE ENFORCED IN OR BY SUCH COURTS.

Section 15. WAIVER OF JURY TRIAL. EACH STOCKHOLDER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT HE OR IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. STOCKHOLDER (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUCH LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT HE OR IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE CONSIDERATION RECEIVED BY SUCH STOCKHOLDER IN RESPECT OF THE SHARES PURSUANT TO THE MERGER AND AS CONTEMPLATED BY THE MERGER AGREEMENT.

Section 16. Amendments; Termination.

(a) This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by all parties hereto.

(b) Except for provisions of this Agreement that by their terms survive the termination hereof, the provisions of this Agreement shall terminate upon the earliest to occur of (i) the consummation of the Contemplated Transactions and (ii) the termination of the Merger Agreement in accordance with its terms.

Section 17. Additional Shares. If, after the date hereof, a Stockholder or any of its affiliates acquires beneficial or record ownership of any additional shares of capital stock of Daleen (any such shares, "Additional Shares"), including, without limitation, upon exercise of any option, warrant or right to acquire shares of capital stock of Daleen or through any stock dividend or stock split, the provisions of this Agreement applicable to the Shares shall thereafter be applicable to such Additional Shares as if such Additional Shares had been Shares as of the date hereof. The provisions of the immediately preceding sentence shall be effective with respect to Additional Shares without action by any person or entity immediately upon the acquisition by such Stockholder or its affiliates of beneficial ownership of such Additional Shares. Such Stockholder shall cause any affiliate that acquires Additional Shares to enter into a written joinder to this Agreement in form and substance satisfactory to Quadrangle.

Section 18. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal successors (including, in the case of any individual Stockholder or any other individual, any executors,

administrators, estates, legal representatives and heirs of such Stockholder or

such individual) and permitted assigns; provided, however, that, except as otherwise provided in this Agreement, no party may assign, delegate or otherwise transfer any of its rights or obligations, under this Agreement, without (a) the consent of Quadrangle, in the case of the Stockholders, or (b) the consent of the Stockholders, in the case of Quadrangle. Without limiting the scope or effect of the restrictions on Transfer set forth in Section 2, each Stockholder agrees that this Agreement and the obligations hereunder shall attach to the Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise. Each Stockholder shall not seek to avoid, nor cause or permit to be impaired, its obligations under this Agreement by means of any dissolution, merger, combination, liquidation or other comparable transaction or corporate act, and shall maintain its status as an entity duly organized and in good standing in its jurisdiction of organization.

Section 19. Counterparts. This Agreement may be executed in any number of counterparts, all of which, when taken together, shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. The parties also expressly agree that this Agreement may be executed by original signatures delivered by facsimile.

[Remainder of page intentionally left blank; signature page follows]

The undersigned have executed this Agreement intending to be bound hereby as of the date first written above.

STOCKHOLDER:

BEHRMAN CAPITAL II, L.P.

By: Behrman Brothers, LLC
its general partner

/s/Grant Behrman

By: Grant Behrman
Title: Managing Member

STRATEGIC ENTREPRENEUR FUND II , L.P.

By:
its general partner

/s/Grant Behrman

By: Grant Behrman
Title: General Partner

Address for notices:

126 E. 56th Street
New York, New York 10022
Attention: Dennis G. Sisco
Facsimile number: (212) 980-7024
Electronic mail address: dsisco@behrmancap.com

QUADRANGLE CAPITAL PARTNERS LP
By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

QUADRANGLE SELECT PARTNERS LP
By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

QUADRANGLE CAPITAL PARTNERS-A LP
By: Quadrangle GP Investors LP, its General Partner

By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

Address for Notices for above signatories:

Quadrangle Group LLC
375 Park Avenue
New York, New York 10152
Attention: Chief Administrative Officer
Facsimile number: (212) 418-1701

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

Weil, Gotshal & Manges LLP
100 Federal Street
Boston, MA 02110
Attention: James Westra, Esq.
Facsimile number: (617) 772-8333
Electronic mail address: james.westra@weil.com

Exhibit A

Shares Held by Stockholders

Behrman

Common Stock, par value $0.01 per share, of Daleen:	21,342,454
Series F Convertible Preferred Stock, par value $0.01 per share, of Daleen:	220,596

SEF

Common Stock, par value $0.01 per share, of Daleen:	289,379
Series F Convertible Preferred Stock, par value $0.01 per share, of Daleen:	2,992

Exhibit 3

EXECUTION VERSION

SERIES A CONVERTIBLE REDEEMABLE PIK PREFERRED STOCK

INVESTMENT AGREEMENT

by and among

DALEEN HOLDINGS, INC.,

QUADRANGLE CAPITAL PARTNERS LP,

QUADRANGLE SELECT PARTNERS LP,

QUADRANGLE CAPITAL PARTNERS-A LP,

BEHRMAN CAPITAL II, L.P.,

and

Strategic Entrepreneur Fund II, L.P.

Dated as of May 7, 2004

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SERIES A CONVERTIBLE REDEEMABLE PIK PREFERRED STOCK

INVESTMENT AGREEMENT

May 7, 2004

The parties to this Series A Convertible Redeemable PIK Preferred Stock Investment Agreement (this "Agreement") are Daleen Holdings, Inc., a newly formed Delaware corporation (the "Company"), Quadrangle Capital Partners LP, a Delaware limited partnership, Quadrangle Select Partners LP, a Delaware limited partnership, Quadrangle Capital Partners-A LP, a Delaware limited partnership (collectively, the "Quadrangle Investors"), Behrman Capital II, L.P., a Delaware limited partnership ("Behrman"), Strategic Entrepreneur Fund II, L.P., a Delaware limited partnership ("SEF," and, together with Behrman, the "Behrman Investors"), and any other investors who now or hereafter become signatories to this Agreement (each, including each Quadrangle Investor and each Behrman Investor, an "Investor" and collectively, the "Investors"; together with the Company, the "Parties"). Certain terms used in this Agreement, but not otherwise defined in context, are defined in Section 9.1.

A. The Company is seeking funding for general corporate and working capital purposes and to effect the closing of the Daleen Merger (as defined below) and the Protek Stock Purchase (as defined below). In this connection, the Company desires to issue and sell at least 300,000 shares of its Series A Convertible Redeemable PIK Preferred Stock, par value $0.01 per share (the "Series A Preferred Stock"), for an aggregate purchase price of $30,000,000 (the "Minimum Offering Amount"). The offering of the Series A Preferred Stock on the terms and subject to the conditions described in this Agreement, including the Exhibits hereto, is referred to in this Agreement as the "Offering." Each Investor desires to purchase shares of Series A Preferred Stock from the Company, all on the terms and subject to the conditions set forth in this Agreement. The per share purchase price for each share of Series A Preferred Stock to be sold pursuant to this Agreement is $100 (the "Offering Price").

B. Concurrently with, or immediately following, the closing of the transactions described in this Agreement, the Company intends to (i) cause its

newly formed, wholly-owned Subsidiary, Parallel Acquisition, Inc., a Delaware corporation ("Merger Sub"), to merge with and into Daleen Technologies, Inc., a Delaware corporation ("Daleen"), pursuant to the Daleen Merger Agreement (the "Daleen Merger") and (ii) purchase all of the shares of the outstanding capital stock of Protek Telecommunications Solutions Limited, a company organized under the laws of England and Wales ("Protek"), pursuant to the Protek Stock Purchase Agreement (the "Protek Stock Purchase"). Upon consummation of the Daleen Merger and the Protek Stock Purchase, each of Daleen and Protek will be a wholly-owned Subsidiary of the Company.

C. As a condition to the closing of the transactions described in this Agreement, the Parties shall enter into the Transaction Documents.

Accordingly, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

1. Sale of Series A Preferred Stock.

(a) Subject to the other provisions of this Agreement, the Company shall issue and sell to each Quadrangle Investor, and each Quadrangle Investor shall purchase from the Company, shares of Series A Preferred Stock in the amount set forth next to the name of each Quadrangle Investor on the signature pages to this Agreement, for a price per share equal to the Offering Price, payable by wire transfer of immediately available funds at the Closing (as defined below).

(b) Subject to the other provisions of this Agreement, the Company shall issue and sell to each Behrman Investor, and each Behrman Investor shall purchase from the Company, shares of Series A Preferred Stock in the respective amounts set forth next to the name of each Behrman Investor on the signature pages to this Agreement (subject to the reduction of such amounts pursuant to Section 1(c)), for a price per share equal to the Offering Price, payable by the sale and assignment to the Company by the Behrman Investors at the Closing of the promissory notes issued to the Behrman Investors under the Bridge Loan Agreement, in accordance with the Note Purchase Agreement.

(c) As soon as is practicable after the date hereof (subject to compliance with any applicable law), the Company shall give written notice to each holder of Series F Convertible Preferred Stock, par value $0.01 per share, of Daleen (each, a "Series F Holder") of the sale of Series A Preferred Stock to the Behrman Investors contemplated by the preceding Section 1(b). If any Series F Holder notifies the Company of its desire to purchase shares of Series A Preferred Stock within ten (10) days after the date of the Company's written notice and prior to the Closing (each, an "Additional Investor" and collectively, the "Additional Investors"), the aggregate number of shares of Series A Preferred Stock to be purchased by each Behrman Investor shall be reduced, on a pro rata basis, by the aggregate number of shares of Series A Preferred Stock to be sold to such Additional Investor(s), and each such Additional Investor, as a condition to such purchase, shall become a party to this Agreement as an "Investor" by executing and delivering counterpart signature pages hereto and shall enter into the other Transaction Documents with the other Parties hereto. The Additional Investors may purchase aggregate shares of Series A Preferred Stock pursuant to this Section 1(c) with a maximum aggregate Offering Price of $1,000,000 (the "Additional Investors Maximum

Purchase Amount"). If the Additional Investors desire collectively to purchase shares of Series A Preferred Stock in excess of the Additional Investors Maximum Purchase Amount, the Additional Investors Maximum Purchase Amount shall be purchased by the Additional Investors and shall be allocated among the Additional Investors pro rata based upon the amounts set forth in the written notices furnished to the Company by the Additional Investors.

(d) The shares of Series A Preferred Stock sold and purchased pursuant to this Agreement shall have the designations, powers, preferences, and other special rights and limitations set forth in the Certificate of Incorporation attached as Exhibit A to this Agreement (the "Certificate of Incorporation") and the Certificate of Designations of Series A Convertible Redeemable PIK Preferred Stock attached as Exhibit B to this Agreement (the "Certificate of

Designations"), each of which shall be adopted and filed by the Company with the Secretary of State of the State of Delaware.

2. Closing. The closing of the purchase and sale of the Series A Preferred Stock to the Investors (the "Closing") shall take place at the offices of Kirkpatrick & Lockhart LLP located at 599 Lexington Avenue, New York, New York, upon satisfaction or waiver of the conditions set forth in Section 6 and immediately prior to, or concurrent with, the consummation of the transactions contemplated by the Daleen Merger Agreement and the Protek Stock Purchase Agreement, unless otherwise agreed to by the Company, the Quadrangle Investors, and the Behrman Investors. At the Closing, the Company shall deliver to each Investor a certificate or certificates in definitive form representing the respective number of shares of Series A Preferred Stock being purchased by such Investor under this Agreement, against payment to the Company of the purchase price for the shares of Series A Preferred Stock by certified check, wire transfer, or any combination thereof. The date and time of the Closing is hereinafter referred to as the "Closing Date."

3. Reserved.

4. Representations and Warranties of the Company. The Company represents and warrants to each Investor as follows:

4.1. Organization. The Company and Merger Sub are corporations incorporated, validly existing, and in good standing under the laws of the State of Delaware, and each of the Company and Merger Sub has the requisite power and authority to own and operate its properties and to carry on its business as now conducted and as proposed to be conducted. Each of the Company and Merger Sub is qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the conduct of its business or the ownership of its properties currently requires such qualification and being in good standing, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The term "Material Adverse Effect" means any change or effect that is or is reasonably likely to be materially adverse to the business, results of operations, or financial condition of the Company and its Subsidiaries taken as a whole, or otherwise affects the ability of the Company to consummate the transactions contemplated hereby, except for such changes or

effects that are the result of general economic conditions affecting the Company's industry generally. The Company is a newly formed corporation that was incorporated to effect the transactions contemplated in this Agreement, the Daleen Merger Agreement and the Protek Stock Purchase Agreement. Merger Sub is a newly formed, wholly-owned Subsidiary of the Company that was incorporated to effect the transactions contemplated in the Daleen Merger Agreement. Neither the Company nor Merger Sub has conducted any business other than as set forth in or contemplated by this Agreement, the Daleen Merger Agreement, and the Protek Stock Purchase Agreement.

4.2. Power and Authority. The Company has the requisite power and authority to enter into this Agreement and the other Transaction Documents and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other Transaction Documents, and the performance by the Company of its obligations hereunder and thereunder and the consummation

of the transactions contemplated hereby or thereby have been duly and validly authorized by all necessary action on the part of the Company, its Board of Directors and stockholders. This Agreement is and, as of the Closing, each of the other Transaction Documents will be a valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and transfer, reorganization, receivership, moratorium, and other laws affecting the rights and remedies of creditors generally and to the general principles of equity. The shares of Series A Preferred Stock (together with the shares of Common Stock (as defined in Section 4.3(a) below) issuable upon conversion of the shares of Series A Preferred Stock) to be issued, sold, and delivered in accordance with the terms of this Agreement have been duly authorized by all required action of the Company's Board of Directors and its stockholders.

4.3. Capitalization.

(a) The Company's authorized capital stock consists of 4,000,000 shares of Common Stock, $0.01 par value per share (the "Common Stock"), of which no shares are issued and outstanding as of the date hereof, and 500,100 shares of Preferred Stock, $0.01 par value per share, of which 100 shares have been designated as Junior Preferred Stock, all of which are issued and outstanding as of the date hereof and held of record and beneficially by Daleen.

(b) Except as contemplated by this Agreement, the Daleen Merger Agreement or the Protek Stock Purchase Agreement, no equity securities are required to be issued by the Company or Merger Sub by reason of any currently existing options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, shares of any capital stock of the Company or Merger Sub, as applicable, and there are no Contracts, commitments, understandings, or arrangements by which the Company or Merger Sub is bound to issue additional shares of its respective capital stock, or options, warrants or rights to purchase or acquire any additional shares of its respective capital stock. The Company is not a party or subject to any agreement or understanding, nor, to the Knowledge of the Company, is there any agreement or understanding between any persons that affects or relates to the voting or giving of written consents with respect to any security

or the voting by a director of the Company.

4.4. Valid Issuance. The Series A Preferred Stock that is being purchased by the Investors hereunder, when issued, sold, and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid, and nonassessable, and will be free of restrictions on transfer other than restrictions on transfer under the Transaction Documents and under applicable state and federal securities laws. The Common Stock issuable upon conversion of the Series A Preferred Stock being purchased under this Agreement has been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Certificate of Incorporation and Certificate of Designations, will be duly and validly issued, fully paid, and nonassessable and will be free of restrictions on transfer other than restrictions on transfer under the Transaction Documents and under applicable state and federal securities laws.

4.5. Registration Rights. Except as contemplated in the Transaction Documents, Daleen Merger Agreement, or the Protek Stock Purchase Agreement, the Company

is presently not under any obligation and has not granted any rights to register under the Securities Act of 1933, as amended (the "Securities Act"), any of its presently outstanding securities or any of its securities that may be subsequently issued.

4.6. Subsidiaries. The Company owns, beneficially and of record, all of the outstanding capital stock of Merger Sub. The Company does not own, nor has it ever owned, directly or indirectly, any equity interest in any other corporation, partnership, limited liability company, joint venture or other entity.

4.7. Offerees; Regulation D. None of the Company, its directors and officers, its Affiliates nor, to the Company's Knowledge, any Person acting as an agent for or on behalf of the Company has, directly or indirectly, sold, offered for sale, or solicited offers to buy any of the shares of Series A Preferred Stock by means of any form of general solicitation or general advertising or otherwise so as to bring the offer, issuance or sale of the shares of Series A Preferred Stock as contemplated by this Agreement within the registration requirements of Section 5 of the Securities Act, or within the registration or qualification requirements of any "blue sky" or securities laws of any state or other jurisdiction of the United States of America. Assuming each Investor hereunder is an "accredited investor" within the meaning of Regulation D under the Securities Act, the offering, issuance and sale of the shares of Series A Preferred Stock pursuant to this Agreement is exempt from the registration provisions of the Securities Act and neither the Company, nor any authorized representative, will take any action that would result in the loss of such exemption. The Company is not disqualified from relying on the exemption provided in Regulation D under the Securities Act as provided in Rule 507 of Regulation D.

4.8. Litigation. Except as set forth on Schedule 4.8, there is no litigation or governmental proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company or Merger Sub or

affecting any of their properties or assets.

4.9. Compliance with Laws and Other Instruments. The Company is in compliance with all applicable provisions of this Agreement, the Daleen Merger Agreement, the Protek Stock Purchase Agreement and of its respective charter and bylaws, and, in all material respects with the applicable provisions of each statute and regulation by which it is bound or to which it or its properties are subject. Neither the execution, delivery or performance of this Agreement and the other Transaction Documents nor the consummation of the transactions contemplated hereby and thereby, nor the offer, issuance, sale or delivery of the shares of Series A Preferred Stock, with or without the giving of notice or passage of time, or both, will violate, or result in any breach of, or constitute a default under, or result in the imposition of any encumbrance upon any asset of the Company pursuant to any provision of its charter or bylaws, or any statute, rule or regulation, or other document or instrument by which the Company is bound or to which it or any of its properties are subject.

4.10. Real Property. Neither the Company nor the Merger Sub own, lease or have any other interest in any real property.

4.11. Employee Matters. Except as set forth on Schedule 4.11, neither the Company nor the Merger Sub has any employees nor do they have in effect any employment

agreements, consulting agreements, deferred compensation, severance, pension or retirement agreements or arrangements, bonus, incentive or profit-sharing plans or arrangements, or labor or collective bargaining agreements, written or oral.

4.12. Contracts and Commitments. Except for, and as contemplated by, this Agreement, any other Transaction Document, the Daleen Merger Agreement and the Protek Stock Purchase Agreement, neither the Company nor the Merger Sub is subject to any additional Contracts, obligations or commitments.

4.13. No Brokers or Finders. No person has or will have, as a result of the transactions contemplated by this Agreement, any right, interest or claim against or upon the Company for any commission, fee or other compensation as a finder or broker because of any act or omission by the Company.

4.14. Assumptions, Guarantees, etc. of Indebtedness of Other Persons. Neither the Company nor the Merger Sub has assumed, guaranteed, endorsed or otherwise become directly or contingently liable on or for any indebtedness for borrowed money of any other Person.

4.15. Daleen Merger Agreement and Protek Stock Purchase Agreement. All representations and warranties of the Company and the Merger Sub set forth in the Daleen Merger Agreement and the Protek Stock Purchase Agreement are true and correct in all material respects as of the date hereof, and subject to any updated schedules permitted thereunder, will be true and correct in all material respects as of the Closing, except for any inaccuracies that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company.

4.16. No Other Representations or Warranties. Except as expressly set

forth in this Section 4, the Company makes no other representation or warranty, express or implied, at law or in equity, with respect to the Company, the Company's business operations or future financial performance, or the Series A Preferred Stock.

5. Representations and Warranties of the Investors. Each Investor hereunder, severally and not jointly, represents and warrants to the Company as follows:

5.1. Finders. No broker's, finder's or any similar fee has been or will be incurred by or on behalf of the Investor in connection with the origin, negotiation, execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

5.2. Investment Representations.

(a) The Investor understands that the shares of Series A Preferred Stock and any shares of Common Stock issued on conversion thereof have not been registered under the Securities Act, or any state or foreign securities act and are being issued to the Investor by reason of specific exemptions under the provisions thereof that depend in part upon the other representations and warranties made by the Investor in this Agreement.

(b) The Investor understands that the shares of Series A Preferred Stock and any shares of Common Stock issued on conversion thereof are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Securities and Exchange Commission promulgated thereunder provide in substance that the Investor may dispose of shares of Series A Preferred Stock only pursuant to an effective registration statement under the Securities Act or an exemption from registration, if available.

(c) The Investor is acquiring the shares of Series A Preferred Stock for investment only and not with a view to, or in connection with, any resale or distribution of any of the shares of Series A Preferred Stock. The Investor has no present intention of making any sale, assignment, pledge, gift, transfer or other disposition of its shares of Series A Preferred Stock or any interest therein.

(d) The Investor has not received, paid or given, directly or indirectly, any commission or remuneration for or on account of any sale, or the solicitation of any sale, of the shares of Series A Preferred Stock.

(e) The Investor is an "accredited investor" as such term is defined in Rule 501 under Regulation D promulgated under the Securities Act and was not organized for the specific purpose of acquiring shares of Series A Preferred Stock.

(f) The Investor has sufficient Knowledge and experience in investing in companies similar to the Company in terms of the Company's early stage of development so as to be able to evaluate the risks and merits of its investment in the Company's Series A Preferred Stock and it is able financially to bear the risks thereof.

(g) The Investor has had an opportunity to discuss the Company's business, management, and financial affairs with the Company's executive officers. The Investor has also had an opportunity to ask questions and receive answers from the executive officers of the Company concerning the terms and conditions of the offering of the Series A Preferred Stock and to obtain the information it believes necessary or appropriate to evaluate the suitability of an investment in the Series A Preferred Stock.

5.3. Organization; Authority; Enforceability. The Investor has full power and authority to enter into this Agreement and the other Transaction Documents and to perform fully its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The Investor has the funds, or access to the funds, necessary to perform fully its obligations hereunder. The execution and delivery of this Agreement and the other Transaction Documents and the performance by the Investor of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of the Investor. Each of this Agreement and the other Transaction Documents is a valid and binding obligation of the Investor, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and transfer, reorganization, receivership, moratorium, and other similar laws affecting the rights and remedies of creditors generally and to the general principles of equity.

6. Conditions to Closing.

6.1. Conditions to Each Investor's Obligations. In addition to the conditions set forth in Section 6.3, the obligations of each Investor under this Agreement shall be subject to the fulfillment and satisfaction, at or prior to the Closing, or the written waiver thereof by the Quadrangle Investors of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects (except for any exceptions thereto specifically contemplated by this Agreement or specifically required to effect the transactions contemplated by the Daleen Merger Agreement and the Protek Stock Purchase Agreement in connection with the Daleen Merger and Protek Stock Purchase) on and as of the Closing Date with the same force and effect as though made on and as of such date (other than those representations and warranties which address matters only as of a certain date, which shall be true and correct in all material respects as of such certain date). The Company shall have complied in all material respects with all covenants contained in this Agreement. The Company shall have delivered to each Investor a certificate dated as of the Closing Date and signed by the Chief Executive Officer of the Company to the foregoing effect and to the effect that all of the conditions in this Section 6.1 have been satisfied.

(b) No Injunction. No injunction or restraining order shall be in effect or overtly threatened in writing that restrains or prohibits the consummation of the transactions contemplated hereby or that would materially limit or materially and adversely affect an Investor's ownership of the Series A

Preferred Stock, and no proceedings for such purpose shall be pending, and no federal, state, local or foreign law, rule or regulation shall have been enacted that prohibits, restricts or delays in any material respect the consummation of the transactions contemplated hereby. All authorizations, approvals or permits of any governmental authority or regulatory body of the United States or any state that are required in connection with the lawful issuance and sale of Series A Preferred Stock pursuant to this Agreement shall be duly obtained and effective as of the Closing.

(c) No Material Adverse Change. There shall not have occurred after the date hereof, or as of the Closing Date, any event, change, occurrence, or circumstance that has had or would reasonably be expected to have a Material Adverse Effect on the Company.

(d) Securities Law Compliance. The issuance of the shares of Series A Preferred Stock shall be in compliance in all material respects with all applicable United States federal and state securities laws.

(e) Certificate of Designations. The Board of Directors of the Company shall have duly approved, and the Company shall have filed with the Secretary of State of the State of Delaware, the Certificate of Designations.

(f) Certified Documents. The Company's Secretary shall have executed and delivered to the Investors a certificate certifying the Company's bylaws, Certificate of Incorporation, Certificate of Designation and the resolutions of the Board of Directors and

stockholders of the Company, as appropriate, with respect to the transactions contemplated by this Agreement and the other Transaction Documents.

(g) Good Standing. The Company shall have delivered to the Investors evidence of the good standing of the Company and the Merger Sub in the State of Delaware issued by the Secretary of State of the State of Delaware and dated within a recent date of the Closing Date and evidence of its authority to do business in any states where such authority is, as of the date hereof, required.

(h) Share Certificate. The Company shall have delivered to each Investor a duly authorized and executed certificate evidencing the shares of Series A Preferred Stock being purchased by each such Investor hereunder.

(i) Incentive Plan. The Company shall have adopted an equity incentive plan substantially in the form attached hereto as Exhibit E.

(j) Board Composition. The Company's Board of Directors shall be expanded to seven (7) members, and concurrently with and effective immediately upon the Closing, the Board of Directors shall be comprised as provided in the Stockholders Agreement.

6.2. Conditions to Company's Obligations. In addition to the conditions set forth in Section 6.3, the obligations of the Company under this Agreement shall be subject to the fulfillment and satisfaction, at or prior to the Closing, or the written waiver thereof by the Company, of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties of each Investor contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though made on and as of such date. Each Investor purchasing in such Closing shall have complied in all material respects with all covenants contained herein to be complied with by such Investor at or prior to the Closing Date.

(b) Payment of Purchase Price. The Company shall have received payment for the shares of Series A Preferred Stock purchased by each Investor, by wire transfer in immediately available funds at the Closing and, with respect to the Behrman Investors, by delivery of the promissory notes issued to the Behrman Investors under the Bridge Loan Agreement, in accordance with the Note Purchase Agreement.

6.3. Conditions to Obligations of Company and the Investors. The respective obligations of the Company and each Investor under this Agreement shall be subject to the fulfillment and satisfaction, at or prior to the Closing, or the written waiver thereof by the Company and the Quadrangle Investors, of the following conditions:

(a) Minimum Offering Amount. The Company shall have received from the Investors participating in the Offering at least the Minimum Offering Amount.

(b) Daleen Merger. The conditions to the consummation of the transactions contemplated by the Daleen Merger Agreement set forth in Article VII of the Daleen Merger

Agreement shall have been satisfied or waived in the manner set forth therein and the Company, Merger Sub, and Daleen shall be prepared to close, simultaneously with or immediately after the closing of the transactions contemplated by this Agreement, the Daleen Merger.

(c) Protek Stock Purchase. The conditions to the consummation of the transactions contemplated by the Protek Stock Purchase Agreement set forth in Section 9 of the Protek Stock Purchase Agreement shall have been satisfied or waived in the manner set forth therein and the Company and Protek shall be prepared to close, simultaneously with or immediately after the closing of the transactions contemplated by this Agreement, the Protek Stock Purchase.

(d) Stockholders' Agreement. The Stockholders' Agreement among the Company, the Investors, and the other stockholders of the Company party thereto, in substantially the form attached hereto as Exhibit C (the "Stockholders' Agreement"), shall have been executed and delivered by the Company and the other parties thereto.

(e) Registration Rights Agreement. The Registration Rights Agreement among the Company, the Investors, and the other stockholders of the Company party thereto, in substantially the form attached hereto as Exhibit D (the "Registration Rights Agreement"), shall have been executed and delivered by the Company and the other parties thereto.

7. Covenants of the Company.

7.1. Pre-Closing Covenants. The Company covenants and agrees that from and after the date hereof and until the earlier of (i) the Closing Date or (ii) the date that this Agreement is terminated in accordance with Section 9.3, the Company will operate its business in the ordinary course consistent with its prior practices and shall:

(a) use commercially reasonable efforts to cause each of the conditions to the Investors' obligations to Closing to occur or be satisfied or waived;

(b) use commercially reasonable efforts to cause each of its representations and warranties contained herein to be true and correct in all material respects on the Closing Date (except for any exceptions thereto specifically contemplated by this Agreement or specifically required to effect the transactions contemplated by the Daleen Merger Agreement and the Protek Stock Purchase Agreement in connection with the Daleen Merger and Protek Stock Purchase) and promptly notify each Investor of any matter hereafter arising that would cause any representation and warranty of the Company in this Agreement to be untrue in any material respect;

(c) not, other than as required to consummate the transactions contemplated by the Transaction Documents, the Daleen Merger Agreement, and the Protek Stock Purchase Agreement, increase the number of shares authorized or issued and outstanding of its capital stock, grant or make any pledge, option, warrant, call, commitment, right or agreement of any character relating to its capital stock, issue or sell any shares of its capital stock or securities convertible into such capital stock or any bonds, promissory notes, debentures or other corporate securities or become obligated so to sell or issue any such securities or obligations; and

(d) not effect, undertake, or agree to effect any amendment, waiver, or modification of any right or provision, or exercise any right, contained in the Daleen Merger Agreement, the Protek Stock Purchase or the documents entered into in connection therewith without the prior written consent of the Quadrangle Investors, which consent shall not be unreasonably withheld in respect of such amendment, waivers, or modifications which are not material to the transactions contemplated by the Daleen Merger Agreement or Protek Stock Purchase Agreement.

7.2. Purchase of Senior Preferred Stock. From and after the occurrence of a Trigger Event (as defined below) until three months following the occurrence of a Trigger Event, the Investors shall have the option, exercisable by the Quadrangle Investors upon written notice to the Company, to purchase from the Company, and the Company shall issue and sell to such Investors, upon and after receipt of such notice, shares of a series of Preferred Stock of the Company senior to the Series A Preferred Stock (the "Senior Preferred Stock"), at a price per share equal to the Offering Price, pro rata to each such electing Investor in proportion to such electing Investor's combined ownership of Series A Preferred Stock and Series A-1 Convertible Redeemable PIK Preferred Stock, par value $0.01 per share, of the Company, up to a number of shares of Senior Preferred Stock with an aggregate maximum purchase

price of $5,000,000. The shares of Senior Preferred Stock shall be entitled to receive a dividend equal to 25% per annum and shall be redeemable at any time at the option of the Company. The holders of shares of the Senior Preferred Stock shall have the option to require that the Company exchange the shares of Senior Preferred Stock for a number of shares of Series A Preferred Stock of equal value which are valued at the Series A Stated Amount (as defined in the Certificate of Designations) and entitled to any accrued but unpaid dividends thereon since the Closing. As used herein, "Trigger Event" means the Company's failure to achieve the cash balance trigger level and at least one of the two remaining financial trigger levels at and as of the end of any measurement period beginning on the Closing Date, all as determined and more fully described on Schedule 7.2.

8. Survival; Indemnification.

8.1. Survival. The representations, warranties, agreements, rights, and covenants of the Company and the Investors made in or pursuant to this Agreement shall survive the Closing until 30 days after receipt by the Investors of audited financial statements of the Company for the fiscal year ended December 31, 2005. Any representation, warranty or covenant that is the subject of a claim or dispute asserted in writing prior to the expiration of the survival period set forth above shall survive with respect to such claim or dispute until the final resolution thereof.

8.2. Indemnification.

(a) The Company shall indemnify each Investor and its respective directors, officers, partners, members, employees and representatives (each of the foregoing, an "Investor Indemnified Party") from and against any and all loss, demand, claim, allegation, assertion, action or cause of action, assessment, damage, liability, cost, expense, fine, penalty, judgment, award or settlement (including interest and reasonable attorneys' fees), whether or not involving a third-party claim incurred by any such Investor Indemnified Party due to, based upon or otherwise in respect of (i) any inaccuracy in, or any breach of, any representation or warranty of

the Company in this Agreement (or in any certificate, schedule or other document delivered on behalf of the Company hereunder), (ii) any breach of any covenant or agreement of the Company contained in this Agreement or the other Transaction Documents, or (iii) any breach of a representation or warranty by any party other than the Company under the Daleen Merger Agreement or the Protek Stock Purchase Agreement for which the Company and the Merger Sub may seek indemnification in accordance with the terms and conditions of the Daleen Merger Agreement and Protek Stock Purchase Agreement; provided, however, in the case of an indemnification under Section 8.2(a)(iii), the Company shall only be obligated to the Investor Indemnified Parties (x) if such breaches of representations do not expressly arise in respect of, or result in, an identified payment obligation (if such payment is due or would otherwise require accrual in accordance with generally accepted accounting principles ("GAAP") of the Company, and (y) if such breaches do arise in respect of, or result in, an identified payment obligation (if such payment is due or would otherwise require accrual in accordance with GAAP) to the Company, only to the extent the amounts recoverable for such breaches are in excess of the specifically identified

payment obligation. The Quadrangle Investors may waive any indemnification obligations in favor of the Investor Indemnified Parties pursuant to Section 8.2(a)(iii) on behalf of the Investor Indemnified Parties.

(b) Each Investor shall indemnify the Company from and against any and all loss, demand, claim, allegation, assertion, action or cause of action, assessment, damage, liability, cost, expense, fine, penalty, judgment, award or settlement, whether or not involving a third-party claim, incurred by the Company due to, based upon or otherwise in respect of (i) any inaccuracy in, or any breach of, any representation or warranty of such Investor in this Agreement or (ii) any breach of any covenant or agreement of such Investor contained in this Agreement or the other Transaction Documents.

(c) No Party shall be liable to any other Party for incidental, indirect, special, exemplary, punitive, or consequential damages.

9. Miscellaneous.

9.1. Definitions. In addition to the other terms defined elsewhere in this Agreement, the following terms used in this Agreement have the meanings set forth below:

"Affiliate" has the meaning given that term in Rule 405 of the Securities Act.

"Bridge Loan Agreement" means that certain Subordinated Bridge Loan Agreement, dated as of the date hereof, by and among the Company and the Behrman Investors.

"Competing Transaction" has the meaning set forth in Section 6.05 of the Daleen Merger Agreement.

"Contract" means any agreement, contract, lease, indenture, mortgage, instrument, commitment or other arrangement or understanding, oral or written, formal or informal, to which the Company is a Party or by which it or its assets are bound.

"Daleen Merger Agreement" means that certain Agreement and Plan of Merger and Share Exchange, dated as of the date hereof, by and among the Company, Merger Sub,

Daleen, the Behrman Investors, and the other parties thereto, providing for, among other things, the consummation of the Daleen Merger.

"Known," "to the Knowledge" or similar variations thereof means (a) with respect to a natural Person, the actual knowledge, after due inquiry, of such Person or (b) with respect to any other Person, the actual knowledge, after due inquiry, of such Person's executive officers.

"Note Purchase Agreement" means that certain Note Purchase Agreement, dated as of the date hereof, by and among the Company and the Behrman Investors.

"Parent Indemnitees" has the meaning set forth in Section 9.01(a) of

the Daleen Merger Agreement.

"Person" means and includes an individual, a corporation, an association, a partnership, a limited liability company, a trust, a joint venture, an unincorporated organization, a business, any court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority or instrumentality (federal, state, local, or foreign), or any other legal entity.

"Protek Stock Purchase Agreement" means that certain Stock Purchase Agreement, dated as of the date hereof, by and among the Company, Protek, and the other parties thereto, providing for, among other things, the consummation of the Protek Stock Purchase.

"Sellers" has the meaning set forth in the first introductory paragraph to the Stock Purchase Agreement.

"Share Exchange" has the meaning set forth in the introductory paragraphs to the Daleen Merger Agreement.

"Special Escrow" has the meaning set forth in Section 2.05(a) of the Daleen Merger Agreement.

"Subsidiary" means, with respect to any Person (the "Owner"), any corporation or other Person of which securities or other interests having the power to elect a majority of the corporation's or other Person's board of directors, supervisory board, or similar governing body, or otherwise having the power to direct the business and affairs of that corporation or other Person are held by the Owner or one or more of its Subsidiaries; when used without reference to a particular Person, "Subsidiary" means a Subsidiary of the Company.

"Transaction Documents" means, collectively, this Agreement, the Stockholders' Agreement, the Registration Rights Agreement, and the Transaction Support Agreement dated as of the date hereof by and among the Company and the other signatories thereto (the "Transaction Support Agreement").

9.2. Construction. As used in this Agreement, unless the context otherwise requires: (a) references to "Section" are to a section of this Agreement; (b) all "Exhibits" and "Schedules" referred to in this Agreement are to Exhibits and Schedules attached to this Agreement and are incorporated into this Agreement by reference and made a part of this

Agreement; (c) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; and (d) the headings of the various sections and other subdivisions of this Agreement are for convenience of reference only and shall not modify, define or limit any of the terms or provisions of this Agreement.

9.3. Termination. Anything in this Agreement to the contrary notwithstanding, this Agreement:

(a) subject to the provisions of the Transaction Support Agreement,

may be terminated at any time by mutual written consent of the Quadrangle Investors and the Company;

(b) may be terminated by the Quadrangle Investors if the aggregate amount of all claims for indemnification under Section 9.01(d) of the Daleen Merger Agreement to which Parent Indemnitees would be entitled prior to the Closing Date exceeds or would reasonably be expected to exceed, after giving effect to the limitations on indemnification in Section 9.01(e) of the Daleen Merger Agreement and to all offsets pursuant to Section 9.04 of the Daleen Merger Agreement, $1,000,000;

(c) may be terminated by the Quadrangle Investors if a court of competent jurisdiction or other governmental entity shall have issued, enacted, promulgated, or enforced any law, order, judgment, decree, injunction or ruling or taken any other action (that has not been vacated, withdrawn or overturned), in each case permanently restraining, enjoining or otherwise prohibiting the Daleen Merger, the Share Exchange, or any other transaction contemplated by the Daleen Merger Agreement, and such law, order, judgment, ruling, injunction, order or decree shall have become final and nonappealable;

(d) may be terminated by the Quadrangle Investors if there shall have occurred, on the part of Daleen, a breach of any representation, warranty, covenant or agreement contained in the Daleen Merger Agreement that (i) would result in a failure of a condition set forth in Section 7.04(a) or 7.04(b) of the Daleen Merger Agreement and (ii) which is not curable or, if curable, is not cured within thirty (30) calendar days after written notice of such breach is given by the Company to Daleen;

(e) may be terminated by the Quadrangle Investors if (i) the board of directors of Daleen or any committee thereof shall have withdrawn, modified, changed or failed to publicly affirm, within ten (10) days after the Company's reasonable request, its approval or recommendation in respect of the Daleen Merger Agreement, the Daleen Merger or the Share Exchange in a manner adverse to the Daleen Merger or the Share Exchange, or to the Company or the Merger Sub, (ii) the board of directors of Daleen or any committee thereof shall have recommended any Competing Transaction, Daleen enters into an agreement relating to the Company Transaction or Daleen shall have consummated a Competing Transaction; (iii) Daleen shall have violated or breached in any material respect any of its obligations under Section 6.05 of the Daleen Merger Agreement or (iv) the board of directors of Daleen or any committee thereof shall have resolved to take any of the foregoing actions;

(f) may be terminated by the Quadrangle Investors upon a material breach of any of the representations, warranties, covenants or agreements of Protek or any Seller contained in the Protek Stock Purchase Agreement; and

(g) will terminate if (i) the Daleen Merger Agreement is terminated in accordance with the provisions thereof, (ii) the Protek Stock Purchase Agreement is terminated in accordance with the provisions thereof, or (iii) if the Closing does not occur on or before September 30, 2004, unless the Investors and the Company otherwise agree in writing.

In the event of termination, this Agreement shall become null and void and

have no further force or effect, with no liability on the part of the Company and the Investors, or their respective directors, officers, agents or shareholders, with respect to this Agreement; provided, however, that, if such termination shall result from the willful failure of any Party to fulfill a condition to the performance of the obligations of the other Party, or from a willful breach of any covenant or agreement contained in this Agreement, such Party shall be fully liable for damages incurred or sustained as a result thereof.

9.4. Entire Agreement; No Third-Party Beneficiaries. This Agreement, together with any schedules hereto, the other Transaction Documents, and the documents referred to herein and therein, together with any confidentiality agreement entered into by and between the Company and any Investor, constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof, and no other agreements, warranties, representations or covenants regarding the subject matter hereof or thereof shall be of any force of effect unless in writing, executed by the Party to be bound thereby, and dated on or after the date hereof. This Agreement is not intended to confer upon any Person other than the Parties hereto any rights or remedies.

9.5. Notices. Any and all notices or other communications or deliveries provided for or permitted hereunder shall be made in writing and shall be deemed to have been duly given or made for all purposes if sent by hand-delivery, registered first-class mail, facsimile, or courier guaranteeing overnight delivery, as follows:

(a) if to the Company, to:

Daleen Holdings, Inc.
c/o Daleen Technologies, Inc.
902 Clint Moore Road, Suite 230
Boca Raton, FL 33487
Attention: General Counsel
Facsimile No.: (561) 981-1106

with a copy to:

Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222-2312

Attention: Robert P. Zinn, Esq.
Facsimile No.: (412) 355-6501

and

Quadrangle Group LLC
375 Park Avenue
New York, New York 10152
Attention: Chief Administrative Officer
Facsimile number: (212) 418-1701

(b) if to the Quadrangle Investors, to:

Quadrangle Group LLC
375 Park Avenue
New York, New York 10152
Attention: Chief Financial Officer
Facsimile number: (212) 418-1740

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

Weil, Gotshal & Manges LLP
100 Federal Street
Boston, MA 02110
Attention: James Westra, Esq.
Facsimile: (617) 772-8333

(c) if to the Behrman Investors, to:

Behrman Capital
126 East 56/th/ Street
New York, NY 10022
Attention: Dennis Sisco
Facsimile No.: (212) 980-7024

with a copy to:

Goodwin Procter LLP
Exchange Place
53 State Street
Boston, MA 02109
Attention: Kevin Dennis
Facsimile No.: (617) 523-1231

(d) if to any other Investor, to such Investor at its address or facsimile number set forth below its signature to this Agreement or to any joinder to this Agreement,

or at such other address or facsimile number as any Party specifies by notice given to the other Parties in accordance with this Section.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if faxed; and on the next business day if timely delivered to a courier guaranteeing overnight delivery.

9.6. Waivers and Amendments. Subject to the restrictions set forth in the Transaction Support Agreement and except as specifically provided in the next sentence, this Agreement may be amended, superseded, canceled, renewed or extended, and any terms hereof may be waived, only by a written instrument signed by the Company and those Investors acquiring a majority of the Series A Preferred Stock hereunder or, in the case of a waiver, by the Party waiving compliance with such terms; provided that (a) any amendment which adversely

affects any Investor in a manner differently than the Investors approving such amendment shall require the written approval of such adversely affected Investor and (b) any waiver on behalf of the Investors may be effected by the Quadrangle Investors. Notwithstanding the foregoing, Additional Investors shall become parties to this agreement in accordance with Section 1(c) hereof upon execution by the Company and such Additional Investors of a counterpart signature hereto.

9.7. Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

9.8. Governing Law; Severability. This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Delaware. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement shall nevertheless continue in full force and effect.

9.9. Assignment. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors. This Agreement and all rights and obligations hereunder shall not be assignable by any Party without the prior written consent of the other Parties, except that a Party may assign its rights and duties hereunder to a Permitted Transferee (as such term is defined in the Stockholders' Agreement).

9.10. Waiver of Jury Trial. THE PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE ARISING FROM OR RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION HEREWITH (INCLUDING THE OTHER TRANSACTION DOCUMENTS), OR ANY TRANSACTIONS CONTEMPLATED IN ANY OF SUCH DOCUMENTS OR OTHERWISE ARISING FROM OR RELATING TO THE OFFERING. THE PARTIES ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

9.11. Expenses. The Company, reasonably promptly after the Closing, shall pay the reasonable legal, accounting and diligence fees and expenses incurred by (a) the Quadrangle Investors (including fees and expenses of one special counsel to be selected by the Quadrangle Investors) and (b) the Behrman Investors (in the amount not to exceed fifty thousand dollars ($50,000)), in each case, connection with the execution and delivery of this Agreement, the other Transaction Documents and the transactions contemplated by the Daleen Merger Agreement and the Protek Stock Purchase Agreement. Otherwise, each Party will be responsible for its own costs and expenses, including legal fees, costs, and expenses.

9.12. Submission to Jurisdiction. Each Party to this Agreement (a) hereby irrevocably submits itself and consents to the jurisdiction of the United States District Court for the State of New York located in New York, New York, or the state courts of the State of New York located in New York, New York, for the purpose of any suit, action, or the Offering, or other proceeding in connection with or arising out of this Agreement, the other Transaction Documents, or the Offering or to enforce a resolution, settlement, order or award made regarding this Agreement, the other Transaction Documents, or the Offering, (b) hereby irrevocably waives the right to commence any suit, action

or other proceeding in connection with this Agreement, the other Transaction Documents, or the Offering in any other jurisdiction (including any foreign jurisdiction) that might otherwise be available by reason of their presence or other circumstances in connection with this Agreement, the other Transaction Documents, or the Offering and, (c) to the extent permitted by applicable law, hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court or that the suit, action or proceeding is improper.

9.13. Certain Understandings. This Agreement does not constitute a partnership or joint venture among the Parties.

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

[SIGNATURE PAGES FOLLOW]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed on the date and year first above written.

DALEEN HOLDINGS, INC.

By: /s/ Gordon Quick

Name: Gordon Quick

Title: Chief Executive Officer

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed on the date and year first above written.

INVESTORS:

Number of Shares: 176,750
Aggregate Purchase Price: $17,675,000

QUADRANGLE CAPITAL PARTNERS LP

By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

Number of Shares: 9,000
Aggregate Purchase Price: $900,000

QUADRANGLE SELECT PARTNERS LP

By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

Number of Shares: 64,250
Aggregate Purchase Price: $6,425,000

QUADRANGLE CAPITAL PARTNERS-A LP

By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed on the date and year first above written.

INVESTORS:

Number of Shares: 49,331.13
Aggregate Purchase Price: $4,933,113.00

BEHRMAN CAPITAL II, L.P.

By: Behrman Brothers, LLC, its General Partner

By: /s/ Grant Behrman

Name: Grant Behrman

Title: Managing Member

Number of Shares: 668.87
Aggregate Purchase Price: $66,887.00

STRATEGIC ENTREPRENEUR FUND II, L.P.

By: /s/ Grant Behrman

Name: Grant Behrman

Title: General Partner

Exhibit A

Certificate of Incorporation

Exhibit B

Certificate of Designations

Exhibit C

Form of Stockholders' Agreement

Exhibit D

Form of Registration Rights Agreement

Exhibit E

Form of Equity Incentive Plan

Schedule 4.11

Employee Matters

The Company has entered into employment agreements with Gordon D. Quick, Paul Beaumont, and Ian Watterson.

Schedule 7.2

Trigger Event Metrics

(All $ in thousands)

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	2004	2005	
	2H	1H	2H
<S>	<C>	<C>	<C>
Revenues:			
Daleen Projection	$ 20,939	$ 22,686	$ 24,939
Trigger Level	$ 17,000	$ 18,148	$ 19,952
Difference	$ 3,939	$ 4,538	$ 4,987
% of Projection	81.2%	80.0%	80.0%
EBITDA (as defined and determined below):			
Daleen Projection	$ 1,781	$ 3,434	$ 4,621
Trigger Level	$ (500)	$ 1,500	$ 3,000
Difference	$ 2,281	$ 1,934	$ 1,621
% of Projection	NA	43.7%	64.9%
Cash Balance:			
Daleen Projection	$ 8,247	$ 8,616	$ 11,132
Trigger Level	$ 4,500	$ 5,000	$ 6,000
Difference	$ 3,747	$ 3,616	$ 5,132
% of Projection	54.6%	58.0%	53.9%

</TABLE>

Notes:

(1) Trigger Event test will occur at the end of each six-month period indicated above.
(2) A Trigger Event will have occurred if the Company misses two of the three trigger levels in any six-month period.
(3) All Trigger Event calculations shall exclude the impact of further acquisitions.
(4) Reasonable consideration will be given if the Company signs an unusual number of ASP (multi-year recurring revenue) contracts.

DETERMINATION OF EBITDA

(a) For purposes of this Schedule 7.2, "EBITDA" for any period means the sum of consolidated net income (loss), plus the following to the extent deducted in calculating such consolidated net income (loss):

(i) all income tax expense of the Company and its consolidated Subsidiaries;

(ii) consolidated interest expense;

(iii) any non-recurring fees, expenses, or charges (including all Company Transaction Expenses (as such term is defined in the Daleen Merger Agreement) and any expenses similar to Company Transaction Expenses incurred in connection with any equity offering, investment, acquisition, financing or other strategic transaction (in each case, whether or not successful));

(iv) depreciation and amortization and charges related to impairment of goodwill or intangibles expense of the Company and its consolidated Subsidiaries (excluding amortization expense attributable to a prepaid operating activity item that was paid in cash in a prior period); and

(v) all other non-cash charges (including without limitation non-cash compensation expense) of the Company and its consolidated Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period).

EBITDA and its components shall be calculated in compliance with GAAP consistently in accordance with the specific accounting policies, methods, and prior practices employed by the Company.

(b) For each Trigger Event Period (as defined below), the Company shall cause to be prepared a written statement of EBITDA (each, an "EBITDA Statement"). Within ten (10) business days of the end of each Trigger Event Period, the Company shall deliver the EBITDA Statement for the applicable Trigger Event Period and all relevant supporting documentation used by the Company in preparing the EBITDA Statement (collectively, the "EBITDA Materials") to the Investors' Representative (as defined below).

(c) For purposes of this Schedule 7.2, (i) "Trigger Event Period" means a period with respect to which a Trigger Event determination is made in accordance with this Schedule 7.2, and (ii) "Investors' Representative" means [specify appropriate Quadrangle investor], so long as any of the Quadrangle Investors own shares of the Series A Preferred Stock; provided, however, that if no shares of Series A Preferred Stock are owned by any of the Quadrangle Investors, an Investor designated by the holders of a majority of the then outstanding shares of Series A Preferred Stock shall be designated as the Investors' Representative.

(d) The Investors' Representative shall have ten (10) business days from the date on which the EBITDA Materials are delivered by the Company to raise any objection(s) to the EBITDA Statement. Any objection(s) to the EBITDA Statement shall be made by delivery of written notice to the Company setting forth the objection(s) in reasonable detail (the "EBITDA Objection Notice"). In the event that the Investors' Representative shall fail to deliver the EBITDA Objection Notice, then the EBITDA Statement shall become final for purposes of this Schedule 7.2. In the event that the EBITDA Objection Notice is so delivered, the EBITDA Statement shall be deemed not final and the Company and the Investors' Representative shall attempt, in good faith, to resolve the disagreement(s) specified in the EBITDA Objection Notice and, if they are unable to resolve all such disagreement(s) within fifteen (15) business days of

delivery of the EBITDA Objection Notice, shall, within ten (10) business days

thereafter (or such earlier date as mutually agreed), appoint [PricewaterhouseCoopers LLP] or, if such firm is unable to or refuses to accept such appointment, another nationally recognized firm of independent public accountants mutually agreeable to the Company and the Investors' Representative (each acting reasonably) (the "Accountant Arbitrator") to resolve any remaining disagreement(s). In the event that the Company and the Investors' Representative are unable to agree on the Accountant Arbitrator within such 10-business day period, the Accountant Arbitrator shall be designated jointly by the independent accountants of the Company and the Investors' Representative within ten (10) business days thereafter. The Accountant Arbitrator shall follow such procedures as it deems appropriate for obtaining the necessary information in considering the respective positions of the Company and the Investors' Representative. The Accountant Arbitrator shall have the right to review all accounting records relevant to the EBITDA Statement and shall render its determination within twenty (20) business days from the date of the designation of such Accountant Arbitrator (the "Final EBITDA Determination"). In connection with the foregoing, the Accountant Arbitrator shall be instructed to and must (i) make its Final EBITDA Determination based upon the application of GAAP consistently applied in accordance with the specific accounting policies, methods, and prior practices employed by the Company, and (ii) not assign a value to any item with respect to which an objection is raised greater than the higher value for such item claimed by either the Company or the Investors' Representative or less than the lower value for such item claimed by either the Company or the Investors' Representative. The Final EBITDA Determination (to the extent compliant with clauses (i), and (ii) of the immediately preceding sentence) shall be final, conclusive, and binding upon the Company and the Investors for purposes of this Schedule 7.2.

(e) Fees and expenses for the Accountant Arbitrator shall be (i) paid by the Investors' Representative if the EBITDA Statement is affirmed by the Accountant Arbitrator, (ii) paid by the Company if the EBITDA Statement exceeds the Final EBITDA Determination by more than ten percent (10%), or (c) borne equally by the Company and the Investors' Representative in all other instances.

Exhibit 4

EXECUTION COPY

SUBORDINATED BRIDGE LOAN AGREEMENT

by and among

DALEEN TECHNOLOGIES, INC., as Borrower

and

BEHRMAN CAPITAL II, L.P.

and

STRATEGIC ENTREPRENEUR FUND II, L.P.,

as Lenders

Dated as of May 7, 2004

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EXHIBITS

TABLE OF SCHEDULES

SUBORDINATED BRIDGE LOAN AGREEMENT

May 6, 2004

The parties to this SUBORDINATED BRIDGE LOAN AGREEMENT (this "Agreement")

are DALEEN TECHNOLOGIES, INC., a Delaware corporation (the "Borrower"), and Behrman Capital II, L.P., a Delaware limited partnership ("Behrman") and Strategic Entrepreneur Fund II, L.P., a Delaware limited partnership ("SEF") (each of Behrman and SEF, a "Lender" and, collectively, the "Lenders").

The Borrower is seeking to obtain a loan from the Lenders for the purposes described in Section 3 hereof. The Borrower wishes to issue to the Lenders Revolving Promissory Notes in substantially the form attached hereto as Exhibit A (each, a "Note" and, collectively, the "Notes") in an aggregate principal amount of up to $5.1 million, and each Lender wishes to hold its Note, all on the terms and subject to the conditions set forth in this Agreement.

Accordingly, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties, intending to be legally bound, agree as follows:

1. The Transaction.

1.1. Issuance of Notes. (a) Subject to the other provisions of this Agreement, the Borrower shall issue to the Lenders the Notes in the aggregate maximum principal amount of $5.1 million, with the maximum principal amount of each Lender's Note to be as set forth beneath their respective signature to this Agreement. An initial draw of $1,600,000 shall be funded by wire transfer of immediately available funds to Borrower at closing (the "Initial Closing"), which shall occur on the Initial Closing Date (as hereinafter defined). Additional loans under this Agreement and the Note, the principal amounts of which shall aggregate with the then outstanding principal amount to not more than the aggregate maximum principal amount of the Notes, shall be made within two business days of delivery of written notice by Daleen of a request for funding of the same, accompanied by a certificate executed by an authorized officer of Daleen in the form of Exhibit B hereto, provided that such further drawings shall be in increments of not less than $100,000, and, provided further, that no such additional loan may be drawn hereunder in the absence of such a certificate. Such notice shall specify the purposes for which Borrower proposes to use the proceeds of such funds. To the extent such purposes are other than those stated in clause (a) of Section 3 of this Agreement, then, in addition to any other conditions and requirements that must be satisfied prior to the funding of such loan, the funding of such loan shall also be subject to the prior written consent of the Lenders. No additional loans may be drawn under this Agreement or the Note on or after May 25, 2005. The Lenders may, by written notice delivered to the Borrower, require the Borrower to draw the maximum permitted principal amount under this Agreement on or up to two business days prior to the scheduled Effective Time under the Agreement and Plan of Merger and Share Exchange, of even date herewith, by and among the Borrower, Daleen Holdings, Inc., Parallel Acquisition, Inc., and the Lenders.

1.2. Note Terms.

(a) Each Note issued shall be a non-negotiable promissory note.

(b) Each Note shall be payable on such further terms and conditions as are set forth on Exhibit A attached hereto. A Note may not be assigned by a Lender without the prior written consent of the Borrower.

(c) Each Note is acknowledged to be subject to a Note Purchase Agreement, of even date herewith, by and among the Lenders and Daleen Holdings,

Inc., a Delaware corporation (the "Note Purchase Agreement").

(d) Borrower grants to Lenders a continuing security interest in all presently existing and later acquired assets (whether tangible or intangible) of the Borrower and its subsidiaries to secure all obligations and performance of each of Borrower's duties under this Agreement and the Note. Any security interest will be subordinated to the security interests and other rights of the Bank and Exim pursuant to the Subordination Agreement, as described in Section 4 below. The Borrow covenants and agrees to deliver such security agreements, documents and other instruments as may be reasonably requested by Lenders in order to give effect to the foregoing security interest.

1.3. Release and Covenant Not to Sue. (a) When capitalized in this Agreement, the following terms shall have the following meanings:

"Affiliate" shall mean, with respect to persons or any entity or person, as applicable, that entity's or person's past, present and future predecessors, successors, assigns, officers, directors and shareholders, partners, limited partners, agents, employees, attorneys and other representatives, divisions, subsidiaries, parent corporations and other affiliates. The term "Affiliate" includes the officers, directors, shareholders, partners, limited partners and employees of any person or entity qualifying as an Affiliate under the immediately preceding sentence.

"Claims" shall mean any claims, counterclaims, cross-claims, actions, causes of action, rights, disputes, controversies, judgments, debts, agreements, contracts, covenants, promises, representations, misrepresentations, allegations, demands, obligations, duties, suits, rights of contribution and indemnity, liens, expenses, assessments, penalties, charges, injuries, losses, costs (including, without limitation, attorneys fees and costs incurred), damages (including, without limitation, compensatory, consequential, bad faith or punitive damages), sanctions, and liabilities, direct or indirect, of any and every kind, character, nature and manner whatsoever, in law or in equity, civil or criminal, administrative or judicial, contract, tort (including, without limitation, bad faith, fraud and negligence of any kind) or otherwise, whether now known or unknown, claimed or unclaimed, asserted or unasserted, suspected or unsuspected, claimed or concealed, discovered or undiscovered, accrued or unaccrued, anticipated or unanticipated, fixed or contingent, liquidated or unliquidated, state or federal, under common law, statute or regulation.

(b) In consideration for the entry of the Lenders into this Agreement and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and except for Claims arising under the specific terms of this Agreement, the Borrower and its respective Affiliates, unconditionally and without reservation, hereby RELEASES, ACQUITS AND FOREVER DISCHARGES each of the Lenders and its Affiliates, jointly and severally, from any and all manner of Claims, without regard to the date of occurrence, which the Borrower or any of its respective Affiliates ever had, now has, ever may have or claim to have in the future against the Lenders or any of their Affiliates, for, upon, or by reason of any act, matter, cause or thing whatsoever from the beginning of time to and including the date of the Initial Closing, resulting from, based upon, related to or connected with, in any way, directly or indirectly, the Asset Purchase Agreement, dated as of October 7, 2002, by and among the Borrower, Daleen Solutions, Inc., a Delaware corporation, and Abiliti Solutions, Inc., a Missouri Corporation (the "Asset Purchase Agreement").

(c) The releases set forth in paragraph (b) above shall constitute

an accord and satisfaction in substitution of all of the Claims the Borrower and its Affiliates ever had, now have, ever may have or claim to have in the future against any Lender or its Affiliates, for, upon, or by reason of any

act, matter, cause or thing whatsoever from the beginning of time to and including the date of the Initial Closing, arising out of, resulting from, based upon, related to or connected with, in any way, directly or indirectly, the Asset Purchase Agreement.

(d) Subject to and effective only upon the Initial Closing having occurred, the Borrower and its Affiliates irrevocably covenant that they shall not, except as may be necessary to enforce the specific terms of this Agreement, hereafter commence or cause to be commenced, join in, assist, or in any manner seek relief through, directly or indirectly, any suit, action, agency or other proceeding, Claim or demand, counterclaim or cross-claim of any kind or character whatsoever against each other, for, upon, or by reason of any act, matter, cause or thing whatsoever from the beginning of time to and including the date hereof arising out of, resulting from, based upon, related to or connected with, in any way, directly or indirectly, the Asset Purchase Agreement.

A party hereafter violating the covenant not to sue contained in the immediately preceding paragraph shall indemnify and hold harmless the other party or parties with respect to the act or acts constituting such violation, including without limitation by payment of all damages and attorneys' fees and expenses incurred by the other party or parties in connection with such act or acts.

(b) The Borrower shall promptly execute and deliver to the Escrow Agent (as such term is defined in the Asset Purchase Agreement, dated as of October 7, 2002, by and among the Borrower, Daleen Solutions, Inc., a Delaware corporation, and Abiliti Solutions, Inc., a Missouri Corporation (the "Asset Purchase Agreement") and its exhibits) all such notices, instructions and instruments as are necessary to cause the Escrow Agent to release from escrow all shares of the capital stock of the Borrower and all certificates and instruments representing any of the foregoing, and to deliver the same to the Lenders free and clear of all further lien and encumbrance (other than liens and encumbrances created by the Lenders). The parties agree that such released shares and warrants shall be deemed by the parties to have an aggregate value as of the date of such release of $_____, and covenant not to take a position on any filing or report for tax purposes that is inconsistent with such valuation without the prior written consent of the other parties, which may be withheld in their reasonable discretion.

(c) This Agreement is entered into for the purpose, inter alia, of effecting a compromise and settlement of disputed claims and for the purpose of avoiding litigation, and nothing contained in this Agreement shall constitute or be deemed an admission of liability or fault on the part of any party hereto, each of which specifically denies any such liability or fault.

2. Closing. The Initial Closing shall take place at the offices of Kirkpatrick & Lockhart LLP, 599 Lexington Avenue, New York, New York, at 11 a.m. local time on May 6, 2004, or at such other place or time, or on such other date, as the Borrower and the Lenders shall agree. At the Initial Closing, the

Borrower shall deliver to the Lenders the Notes, against delivery to the Borrower of the principal amount thereof. The date and time of the Initial Closing is hereinafter referred to as the "Initial Closing Date."

3. Use of Proceeds. The Borrower shall use the proceeds of the issuance of the Notes (a) to fund a $1,500,000 working capital facility to be made available by Daleen to Protek Network Management (UK) Limited, a company organized under the laws of England and Wales and a wholly owned subsidiary of Protek Telecommunications Solutions Limited, pursuant to a Working Capital Facility Agreement of even date herewith (the "Protek Facility") and (b) for such other purposes as the Lenders may approve in writing in their sole discretion, including the funding of the working capital requirements of the Borrower and its subsidiaries.

4. Subordination. The Notes and the indebtedness represented thereby shall be subordinated to the Borrower's indebtedness to Silicon Valley Bank (the "Bank") and the United States Export-Import Bank ("Exim") under that certain Export-Import Bank Loan and Security Agreement, dated February __, 2004, by and among Borrower and Bank (the "Exim Agreement") and the other agreements and security agreements referenced therein, pursuant to a Subordination Agreement by and among the Lenders and the Bank in substantially the form of Exhibit C hereto.

5. Representations and Warranties of the Borrower. Subject to and except as set forth on any of the Schedules to this Agreement, the Borrower represents and warrants to each Lender as follows:

5.1. Organization. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the requisite power and authority to own and operate its properties and to carry on its business as now conducted.

5.2. Power and Authority. The Borrower has the requisite power and authority to enter into this Agreement, and to issue the Notes (collectively, this Agreement and the Notes are "Transaction Documents") and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Except as set forth on Schedule 5.2, the execution and delivery of the Transaction Documents and the performance by the Borrower of its obligations thereunder and the consummation of the transactions contemplated thereby have been duly and validly authorized by all necessary action on the part of the Borrower. Except as set forth on Schedule 5.2, this Agreement, and, upon issuance, each Note, is or will be upon issuance a valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and transfer, reorganization, receivership, moratorium, and other laws affecting the rights and remedies of creditors generally and to the general principles of equity. As of the date hereof, the execution, delivery and performance of this Agreement and each of the other Transaction Documents by the Borrower, and the consummation of the transactions contemplated hereby and thereby, will not result in a material breach or material default under any organizational document, agreement, instrument or other document by which the Borrower is bound or otherwise violate any instrument, judgment, decree, order, statute, rule or regulation by which the Borrower is bound.

5.3. Capitalization. Schedule 5.3 sets forth (a) the authorized capital stock of the Borrower on the date hereof; (b) the number of shares of capital stock issued and outstanding; (c) the number of shares of capital stock issuable pursuant to the Borrower's stock plans; and (d) the number of shares of capital stock issuable and reserved for issuance pursuant to the securities exercisable for, or convertible into or exchangeable for any shares of capital stock of the Borrower. All of the issued and outstanding shares of the Borrower's capital stock have been duly authorized, validly issued and nonassessable.

5.4. SEC Filings. The Borrower has made available to the Lenders through the EDGAR system true, correct and complete copies of the Borrower's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (the "10-K") and all other reports filed by the Borrower pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") since the filing of the 10-K and prior to the date hereof (collectively, the "SEC Filings"). At the time of the filing thereof, the SEC Filings complied as to form in all material respects with the requirements of the Exchange Act and did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein not misleading.

5.5. Financial Statements. The financial statements included in each SEC Filing present fairly, in all material respects, the consolidated financial position of the Borrower as of the dates shown and its consolidated results of operations and cash flows for the periods shown, and such financial

statements have been prepared in conformity with the United States generally accepted accounting principles applied on a consistent basis (except as may be disclosed therein or in the notes thereto, and, in the case of quarterly financial statements, as permitted by Form 10-Q under the Exchange Act).

5.6. No Directed Selling Efforts or General Solicitation. Neither the Borrower nor any Person acting on its behalf has conducted any general solicitation or general advertising (as those terms are used in Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act")) in connection with the offer or sale of the Notes.

5.7. Brokers. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried out without the intervention of any person on behalf of the Borrower in such manner as to give rise to any valid claims against the Borrower for any brokerage or finder's commission, fee or similar compensation.

6. Representations and Warranties of the Lenders. Each Lender hereunder, severally and not jointly, represents and warrants to the Borrower as follows:

6.1. Investment Representations. (a) The Lender understands that the Notes have not been registered under the Securities Act, or any state or foreign securities laws, and will be issued to the Lender by reason of specific exemptions under the provisions thereof that depend in part upon the other representations and warranties made by the Lender in this Agreement.

(b) The Lender understands that the Notes are "restricted

securities" under applicable federal and state securities laws, and that the Securities Act, the rules of the Securities and Exchange Commission promulgated thereunder and such state securities laws provide in substance that the Lender may sell, transfer or otherwise dispose of such Notes only pursuant to an effective registration statement under the Securities Act and such state securities laws or an exemption from registration, if available.

(c) The Lender is acquiring the Notes for investment only and not with a view to or in connection with any resale or distribution of any part thereof in violation of the Securities Act. The Lender has no present intention of making any sale, assignment, pledge, gift, transfer or other disposition of its Notes or any interest therein.

(d) The Lender has not received, paid or given, directly or indirectly, any commission or remuneration for or on account of any sale, or the solicitation of any sale, of the Notes.

(e) The Lender is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the specific purpose of acquiring the Notes.

(f) The Lender has sufficient knowledge and experience in investing in companies similar to the Borrower so as to be able to evaluate the risks and merits of investment in the Notes, and it is able financially to bear the risks thereof.

6.2. Organization; Authority; Enforceability. The Lender has full power and authority to enter into this Agreement and to perform fully its obligations hereunder and thereunder and to consummate the transactions contemplated hereby. The Lender has the funds, or access to the funds, necessary to perform fully its obligations hereunder. The execution and delivery of this Agreement and the other Transaction Documents and the performance by the Lender of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of the Lender. Each of this Agreement and the

other Transaction Documents is a valid and binding obligation of the Lender, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and transfer, reorganization, receivership, moratorium, and other similar laws affecting the rights and remedies of creditors generally and to the general principles of equity. As of the date hereof, the execution, delivery and performance of this Agreement and each of the other Transaction Documents by the Lender, and the consummation of the transactions contemplated hereby and thereby, will not result in a material breach or material default under any organizational document, agreement, instrument or other document by which the Lender is bound or otherwise violate any instrument, judgment, decree, order, statute, rule or regulation by which Lender is bound.

6.3. Brokers. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried out without the intervention of any person on behalf of the Lender in such manner as to give rise to any valid claims against the Lender for any brokerage or finder's commission, fee or

similar compensation.

7. Conditions to Closing.

7.1. Conditions to Each Lender's Obligations. The obligations of each Lender to consummate a closing of any funding hereunder (each such closing, including the Initial Closing, a "Closing") shall be subject to the fulfillment and satisfaction, at or prior to such Closing, or the written waiver thereof, of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties made by the Borrower contained in this Agreement and the Transaction Documents shall be true and correct on and as of the date of such Closing (each such date, including the Initial Closing Date, a "Closing Date") with the same force and effect as though made on and as of such date. The Borrower shall have complied in all material respects with all covenants contained in this Agreement. All Closing conditions set forth below shall have been met as of such Closing.

(b) No Injunction. No injunction or restraining order shall be in effect or overtly threatened in writing that restrains or prohibits the consummation of the transactions contemplated hereby, and no proceedings for such purpose shall be pending, and no federal, state, local or foreign law, rule or regulation shall have been enacted that prohibits, restricts or delays in any material respect the consummation of the transactions contemplated hereby.

(c) Good Standing. The Borrower shall have delivered to the Lenders purchasing in such Closing evidence of the good standing of the Borrower in the State of Delaware issued by the Secretary of State of the State of Delaware and dated within a recent date of the applicable Closing Date.

(d) Notes. The Borrower shall have delivered to the Lenders purchasing in such Closing the Notes, in substantially the form attached hereto as Exhibit A.

(e) Facility Fee. The Borrower shall have delivered to Lenders or their designee a facility fee of $100,000.

7.2. Conditions to Borrower's Obligations. The Borrower's obligation to consummate a Closing shall be subject to the fulfillment and satisfaction, at or prior to such Closing, of the written waiver thereof, of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties contained in this Agreement and made by each Lender purchasing in such Closing contained in this

Agreement shall be true and correct on and as of the applicable Closing Date with the same force and effect as though made on and as of such date. Each Lender purchasing in such Closing shall have complied in all material respects with all covenants contained herein to be complied with by such Lender at or prior to such Closing Date.

(b) Funding of Notes. The Borrower shall have received the principal

amount of the Notes to be held by each Lender at such Closing in immediately available funds.

8. Post-Closing Covenants of the Borrower.

Until payment in full of the principal amount of all Notes, the Borrower covenants with each Lender as follows:

8.1. No Conflicting Agreements. The Borrower shall not take any action, enter into any agreement or make any commitment that would conflict or interfere in any material respect with the Borrower's obligations to each Lender under the Transaction Documents.

8.2. Compliance with Laws. The Borrower shall comply in all material respects with all applicable laws, rules, regulations, orders and decrees of all governmental authorities.

8.3. No Liens. The Borrower shall not create, incur, or allow any lien on any of its property, nor assign or convey any right to receive income, including the sale of any accounts, nor permit any of its subsidiaries to do so, nor permit any of its assets not to be subject to the security interest granted here, except for such liens and assignments as are required by the Exim Agreement to be effected in favor of the Bank and Exim.

9. Survival of Representations, Warranties and Covenants; Indemnification.

9.1. Survival. The representations, warranties, agreements, rights, and covenants of the Borrower and each Lender made in or pursuant to this Agreement shall survive the Initial Closing Date until the earlier of (a) the payment in full of the principal amount of all Notes held by such Lender and (b) May 30, 2005. The provisions of Sections 10.3, 10.4, 10.5, 10.7, 10.9, 10.10 and 10.12 shall survive the Initial Closing Date and the termination of this Agreement.

9.2. Indemnification. (a) The Borrower shall indemnify each Lender against, and shall hold such Lender harmless from, any loss, demand, claim, allegation, assertion, action or cause of action, assessment, damage, deficiency, liability, cost, expense, diminution of value, fine, penalty, judgment, award or settlement, whether or not involving a third-party claim, that such Lender may incur or suffer by reason of the inaccuracy of any representation or warranty made by the Borrower (for as long as such representations and warranties survive), or the breach of any of the agreements or covenants of the Borrower contained in this Agreement.

(b) Each Lender shall indemnify the Borrower against, and shall hold the Borrower harmless from, any loss, demand, claim, allegation, assertion, action or cause of action, assessment, damage, deficiency, liability, cost, expense, diminution of value, fine, penalty, judgment, award or settlement, whether or not involving a third-party claim, that the Borrower may incur or suffer by reason of the inaccuracy of any representation or warranty made by such Lender (for as long as such representations and warranties survive), or the breach of any of the agreements or covenants of such Lender contained in this Agreement.

10. Miscellaneous.

10.1. Definitions. In addition to the other terms defined elsewhere in this Agreement, the following terms used in this Agreement have the meanings set forth below:

"affiliate" has the meaning given that term in Rule 405 of the Securities Act, provided, however, that for purposes of Section 1.3 "Affiliates" shall have the meaning set forth therein.

"business day" is a day on which the Borrower is open for business.

"known," "to the knowledge" or similar variations thereof means (a) with respect to a natural person, the actual knowledge of such person; or (b) with respect to any other person, the actual knowledge of such person's executive officers.

"party" or "parties" mean a party or the parties to this Agreement.

"person" means and includes a natural person, a corporation, an association, a partnership, a limited liability company, a trust, a joint venture, an unincorporated organization, a business, any court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority or instrumentality (federal, state, local or foreign), or any other legal entity.

10.2. Construction. As used in this Agreement, unless the context otherwise requires: (a) references to "Section" are to a section of this Agreement; (b) all "Exhibits" and "Schedules" referred to in this Agreement are to Exhibits and Schedules attached to this Agreement and are incorporated into this Agreement by reference and made a part of this Agreement; (c) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; and (d) the headings of the various sections and other subdivisions of this Agreement are for convenience of reference only and shall not modify, define or limit any of the terms or provisions of this Agreement.

10.3. Entire Agreement; No Third-Party Beneficiaries. Except as set forth in Section 4, this Agreement, the other Transaction Documents, and the documents referred to herein and therein, constitute the entire agreement among the parties with respect to the subject matter hereof, and no other agreements, warranties, representations or covenants regarding the subject matter hereof shall be of any force of effect unless in writing, executed by the party to be bound thereby and dated on or after the date hereof. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies.

10.4. Notices. Any and all notices or other communications or deliveries provided for or permitted hereunder shall be made in writing and shall be deemed to have been duly given or made for all purposes if sent by hand-delivery, registered first-class mail, telex, telecopier, or courier guaranteeing overnight delivery, as follows (or at such other address as shall have been furnished in writing given in accordance with this provision):

(a) if to the Borrower, to:

Daleen Technologies, Inc.
902 Clint Moore Road, Suite 230
Boca Raton, FL
Attention: Legal Department
Facsimile No. (561) 981-1106

with a copy to:

Kirkpatrick & Lockhart LLP
Henry W. Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222-2312
Attention: Robert P. Zinn
Facsimile No. (412) 355-6501

(b) if to any Lender, to such Lender at its address or facsimile number set forth below its signature to this Agreement or at such other address or facsimile number as any party specifies by notice given to the other party in accordance with this Section.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day if timely delivered to a courier guaranteeing overnight delivery.

10.5. Amendment. This Agreement may be amended, superseded, canceled, renewed or extended, and any terms hereof may be waived, only by a written instrument signed by the Borrower and each Lender.

10.6. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

10.7. Governing Law; Severability. This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of New York. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement shall nevertheless continue in full force and effect.

10.8. Assignment. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. Except as contemplated by the Note Purchase Agreement, neither this Agreement nor any rights or duties hereunder may be assigned to any person without the written consent of the Borrower and each Lender, and any purported assignment of or attempt to assign the same shall be void and of no effect.

10.9. Waiver of Jury Trial. THE PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE ARISING FROM OR RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION HEREWITH (INCLUDING THE OTHER TRANSACTION DOCUMENTS) OR ANY TRANSACTIONS CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE PARTIES ACKNOWLEDGE THAT

THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

10.10. Submission to Jurisdiction. Each party to this Agreement (a) hereby irrevocably submits itself and consents to the jurisdiction of the United States District Court for the State of New York located in New York, New York, or the state courts of the State of New York located in New York, New York, for the purpose of any suit, action or other proceeding in connection with this Agreement or the other Transaction Documents or to enforce a resolution, settlement, order or award made regarding this Agreement or the other Transaction Documents, (b) hereby irrevocably waives the right to commence

any suit, action or other proceeding in connection with this Agreement or the other Transaction Documents in any other jurisdiction (including any foreign jurisdiction) that might otherwise be available by reason of their presence or other circumstances in connection with this Agreement or the other Transaction Documents, and (c) to the extent permitted by applicable law, hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court or that the suit, action or proceeding is improper.

10.11. Certain Understandings. This Agreement does not constitute a partnership or joint venture among the parties.

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

[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

DALEEN TECHNOLOGIES, INC.

By: /s/ Gordon D. Quick
Name: Gordon D. Quick
Title: President and Chief Executive Officer

LENDERS:

BEHRMAN CAPITAL II, L.P.

By: /s/ Grant Behrman
Name: Grant Behrman
Title: Managing Member

Principal Amount of Notes: $5,031,775.26

STRATEGIC ENTREPRENEUR FUND II, L.P.

By: /s/ Grant Behrman
Name: Grant Behrman
Title: General Partner

Principal Amount of Notes: $68,224.74

EXHIBIT A

Promissory Note

EXHIBIT B

Compliance Certificate

This Compliance Certificate is being delivered to Behrman Capital II, L.P., a Delaware limited partnership ("Behrman") and Strategic Entrepreneur Fund II, L.P., a Delaware limited partnership ("SEF") (each of Behrman and SEF, a "Lender" and, collectively, the "Lenders") in connection with that certain Subordinated Bridge Loan Agreement by and between Lenders and Daleen Technologies, Inc. ("Borrower") dated May __, 2004 (the "Agreement"). I, _____, the undersigned, do hereby certify as of this _____ day of _____, ____ that I am the duly elected, qualified and acting _____ of Borrower and in that capacity, I do hereby further certify the following to the Lenders:

1. Satisfaction of Conditions. Each condition to a Closing set forth in Section 7.1 is satisfied as of the date hereof.

[Only if draw is made in whole or in part to fund Protek facility: 2. Protek Certificate. A true and complete copy of the certificate delivered by Protek Network Management (UK) Limited under the Working Capital Loan Facility dated May __, 2004 is attached hereto.]

4. Purpose. This Compliance Certificate is being delivered to the Lenders to enable them to certify that the obligations in the Agreement are being satisfied in full .

5. Capitalized Terms. Capitalized terms that are not otherwise defined herein shall have the meanings provided in the Agreement.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has executed this Compliance Certificate as of the _____ day of _____, _____.

Print Name: _____

Print Title: _____

Schedule 5.2

Power and Authority

None.

Schedule 5.3

Capitalization

As of the date hereof, the authorized capital stock of the Company consists of (i) 200,000,000 shares of Company Common Stock, $0.01 par value per share (the "Common Stock"), of which 46,929,372 shares are issued and outstanding as of the date hereof; and (ii) 21,877,236 shares of Preferred Stock, $0.01 par value per share, of which (A) 3,000,000 shares are designated as Series A Convertible Preferred Stock (with no shares issued and outstanding); (B) 1,250,000 shares are designated as Series B Convertible Preferred Stock (with no shares issued and outstanding); (C) 1,222,222 shares are designated as Series C Convertible Preferred Stock (with no shares issued and outstanding); (D) 4,221,846 shares are designated as Series D Convertible Preferred Stock (with no shares issued and outstanding); (E) 686,553 shares are designated as Series D-1 Convertible Preferred Stock (with no shares issued and outstanding); (F) 1,496,615 shares are designated as Series E Convertible Preferred Stock (with no shares issued and outstanding); and (G) 588,312 shares are designated as Series F Preferred Stock (with 449,237 shares issued and outstanding as of the date hereof).

Each share of Series F Preferred Stock is convertible into 122.4503 shares of common stock of the company.

The Company has the following warrants outstanding to purchase the Company common stock: (a) warrants to purchase 11,332,138 shares at an exercise price of $0.9060 per share; (b) warrants to purchase 500,000 shares at an exercise price of $0.17 per share; and (c) warrants to purchase 250,000 shares at an exercise price of $0.17 per share.

The Company has warrants outstanding to purchase 109,068 shares of Series F Preferred Stock.

As of December 31, 2003, options to purchase an aggregate of 4,133,777 shares of the Company Common Stock were outstanding under all of the Company stock plans.

Exhibit 5

TRANSACTION SUPPORT AGREEMENT

This Transaction Support Agreement (this "Agreement"), dated as of May 7, 2004, is by and among Quadrangle Capital Partners LP, a Delaware limited partnership ("QCP"), Quadrangle Select Partners LP, a Delaware limited partnership ("QSP"), Quadrangle Capital Partners-A LP, a Delaware limited partnership ("QCP-A" and together with QCP and QSP, the "Quadrangle Entities"), Daleen Technologies, Inc., a Delaware corporation ("Daleen"), Daleen Holdings, Inc., a newly formed Delaware corporation that is a wholly owned subsidiary of Daleen ("Newco"), Behrman Capital II, L.P., a Delaware limited partnership ("Behrman"), Strategic Entrepreneur Fund II, L.P., a Delaware limited partnership ("SEF"), Protek Telecommunications Solutions Ltd., a corporation organized under the laws of England and Wales, whose principal place of business is located at 1 York Road, Maidenhead, Berkshire, United Kingdom ("Protek"), Paul A. Beaumont ("Beaumont"), Geoff Butcher ("Butcher"), and Ian Watterson ("Watterson"). The Quadrangle Entities, Daleen, Newco and Protek are referred to in this Agreement as the "Specified Parties" and, together with the other parties to this agreement, the "Parties".

Concurrent with the execution and delivery of this Agreement, the Parties are entering into and delivering (a) a Stock Purchase Agreement by and among Newco, Protek, Beaumont, Butcher, Watterson and the other shareholders of Protek (the "Protek Agreement"), (b) an Agreement and Plan of Merger by and among Daleen, Newco and Parallel Acquisition, Inc., a wholly owned subsidiary of Newco ("Acquisition Sub") (the "Daleen Agreement"), and (c) an Investment Agreement by and among Newco, the Quadrangle Entities, Behrman and SEF (the "Investment Agreement" and, together with the Protek Agreement and the Daleen Agreement, the "Transaction Agreements"). The Parties are entering into this Agreement for the purpose of coordinating the performance and consummation of the transactions contemplated by Transaction Agreements and to impose certain restrictions on the exercise of termination rights and waiver of conditions under the Transaction Agreements.

The Parties therefore, in consideration of the mutual covenants set forth herein and in the Transaction Agreements, hereby agree as follows:

1. Concurrent Closings. The consummation of the transactions contemplated by the Transaction Agreements shall occur on the second business day after the satisfaction and waiver (as provided herein and therein) of each of the conditions set forth in Article VII of the Daleen Agreement, Sections 8 and 9 of the Protek Agreement and Section 6 of the Investment Agreement (other than conditions that may only be satisfied by deliveries to be made at the respective closings) at the offices of Kirkpatrick & Lockhart LLP located at 599 Lexington Avenue, New York, New York at 11 a.m., local time, or such other time and place as the Specified Parties may agree. None of the transactions contemplated by any

Transaction Agreement shall be, nor be deemed to have been, consummated unless the transactions contemplated by each other Transaction Agreement shall have been or are simultaneously being consummated.

2. No Exercise of Certain Termination Rights. No Specified Party shall exercise the rights of termination provided under (a) Section 12.1(i) of the Protek Agreement, (b) Section 8.01(a) of the Daleen Agreement, or (c) Section 9.3(a) of the Investment Agreement without the prior written consent of each other Specified Party. Newco shall not exercise the termination rights provided under Sections 8.01(e) or (f) of the Daleen Agreement without the prior written consent of each other Specified Party other than Daleen.

3. Cross-Termination. Upon termination of any Transaction Agreement in accordance with both the terms of such Transaction Agreement and this Agreement, the Parties effecting such termination shall provide prompt written notice to the other Parties to the address set forth on the signature pages hereto and the Parties shall cause each other Transaction Agreement to terminate. Upon such a termination of all Transaction Agreements, this Agreement shall terminate and be of no further force and effect.

4. No Amendments. No material representation, warranty, condition, covenant or agreement set forth in any Transaction Agreement shall be amended, waived or modified without the prior written consent of each Specified Party (it being understood that the updating of schedules provided for under any Transaction Agreement shall not of itself constitute such an amendment, waiver or modification). The foregoing shall not be deemed to limit or modify the rights of any Party to withhold consent to the amendment of any Transaction Agreement in accordance with its terms.

5. No Waivers. No material condition of any Specified Party to the performance of that party's obligations under a Transaction Agreement shall be waived by that Specified Party without the prior written consent of the other Specified Parties.

6. Further Assurances. Each Party shall use all reasonable efforts to take or cause to be taken all actions, and to do or cause to be done all other things, necessary, proper or advisable in order for such Party to fulfill and perform its obligations in respect of this Agreement and each of the Transaction Agreements to which it is a party, or otherwise to consummate and make effective the transactions contemplated by the Transaction Agreements.

7. SEC Transaction Filings. Each Party shall cooperate with Daleen as may be reasonably requested by it in connection with the preparation, filing and mailing of the SEC Transaction Filings (as such term is defined in the Daleen Agreement), including provision of such information as may be necessary or reasonably requested for inclusion therein. The information to be provided by each other Party to Daleen for inclusion in any SEC Transaction Filing will be true and correct and will not, neither at the time such information is provided to Daleen nor when the definitive SEC Transaction Filings are filed with the SEC

and mailed to Daleen stockholders, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Each Party shall provide prompt notice to Daleen of any change that makes or is reasonably likely to make such information untrue or misleading, and shall cooperate with Daleen in the preparation, filing and mailing of any amendments to an SEC Transaction Filing made necessary or desirable by such developments.

8. Representations of Each Party. Each Party hereby represents and warrants to each other Party as follows:

(a) Such Party has full power and authority to enter into this Agreement and the other Transaction Agreements and to perform fully its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. If an entity, such entity has been duly organized under the applicable laws of its jurisdiction of organization. The execution and delivery of this Agreement and the other Transaction Agreements and the performance by such Party of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of such Party, including, if an entity, all necessary action of its equityholders and its directors or comparable governing body. Each of this Agreement and the other Transaction Agreements is a valid and binding obligation of such Party, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and transfer, reorganization, receivership, moratorium, and other similar laws affecting the rights and remedies of creditors generally and to the general principles of equity.

(b) Except as disclosed in any Transaction Agreement or the applicable schedule thereto, neither the execution, delivery or performance of this Agreement and the other Transaction Agreements nor the consummation of the transactions contemplated hereby and thereby, with or without the giving of notice or passage of time, or both, will violate, or result in any breach of, or constitute a default under, or result in the imposition of any encumbrance upon any asset of such Party pursuant to any provision of its charter, bylaws or other charter or governing instrument or agreement, or any statute, rule or regulation, or other agreement, document or instrument by which the Company is bound or to which it or any of its properties are subject.

(c) Except as disclosed in any Transaction Agreement or the applicable schedule thereto, there is no litigation or governmental proceeding or investigation pending or, to the knowledge of such Party, threatened against such Party in respect of the transactions contemplated by this Agreement and the Transaction Agreements.

(d) Except as disclosed in any Transaction Agreement or the applicable schedule thereto, no person has or will have, as a result of the transactions contemplated by this Agreement, any right, interest or claim

against or upon such Party for any commission, fee or other compensation as a finder or broker because of any act or omission by such Party.

9. Certain Notices. Each Party hereto shall provide prompt written notice to each other Party upon obtaining actual knowledge of any of the following:

(a) the occurrence of any event or circumstance that has or is reasonably expected to have (i) a "Company Material Adverse Effect" as defined in the Protek Agreement, (ii) a "Parent Material Adverse Effect" or "Daleen Material Adverse Effect" as defined in the Daleen Agreement, or (ii) a "Material Adverse Effect" on Newco as such terms are defined in the Investment Agreement;

(b) the pendancy of, or a threat to bring, any litigation, the existence, or the entry of a final and adverse judgment in respect, of which would cause any of the conditions set forth in Article VII of the Daleen Agreement, Sections 8 and 9 of the Protek Agreement and Section 6 of the Investment Agreement to fail to be satisfied if not cured prior to the date of determination of satisfaction of such conditions;

(c) any material breach by such Party or another Party of any of the covenants and agreements set forth in the Transaction Agreements or this Agreement; and

(d) any event or occurrence which in such Party's opinion is reasonably likely to result in any of the conditions set forth in Article VII of the Daleen Agreement, Sections 8 and 9 of the Protek Agreement and Section 6 of the Investment Agreement not being capable of being satisfied on or before September 30, 2004.

10. Certain Fees. (a) General. Terms used in this Section 10 without definition have the meanings given to them in the Daleen Agreement.

(b) In the event (i) Daleen shall have terminated the Daleen Agreement pursuant to Section 8.01(g) thereof or (ii) Parent shall have terminated the Daleen Agreement pursuant to Section 8.01(f) thereof and either (1) the board of directors of Daleen (or any committee thereof) shall have recommended to the stockholders of Daleen a Competing Transaction or (2) Daleen enters into or approves a definitive agreement with respect to, or consummates, a Competing Transaction with any person (other than Parent, Merger Sub or their respective affiliates) within twelve (12) months following such termination, then, in any such case, Daleen shall promptly (and, in any event, within three (3) business days after (x) termination by Daleen pursuant to clause (i) and (y) the later of such termination or the consummation of such Competing Transaction pursuant to clause (ii)), pay to the Quadrangle Entities (or to such entity(ies) as the Quadrangle Entities may jointly designate in writing) their pro rata shares of an aggregate one-time termination fee of $500,000 (the "Quadrangle Termination Fee"). The Quadrangle Termination Fee shall be payable by wire transfer of immediately available funds.

(c) Daleen shall pay Quadrangle Entities (or to such entity(ies) as the Quadrangle Entities may jointly designate in writing) their pro rata shares of an aggregate fee equal to the Transaction Expenses of the Quadrangle Entities upon the termination of the Daleen Agreement pursuant to Section 8.01 thereof (but excluding any termination thereof resulting from the covenants of the Parties under Section 3 of this Agreement that arises from a breach by any Quadrangle Entity of any of its representations, warranties, covenants or agreements in the Investment Agreement). "Transaction Expenses" shall mean, in respect of any given party, that party's reasonable documented out-of-pocket fees, costs and expenses (including travel expenses and legal, accounting, financial advisor and other consultant fees and expenses) incurred in connection with this Agreement and the transactions contemplated by this Agreement, including the preparation, execution and delivery of this Agreement and such party's compliance with this Agreement, whether or not the transactions contemplated hereby shall be consummated.

(d) Daleen shall pay to Protek a fee equal to Protek's Transaction Expenses upon the termination of the Daleen Agreement pursuant to Sections 8.01 (f) or (g) thereof, provided (i) that Protek shall not have been in breach of any representation, warranty, covenant or agreement in the Protek Agreement at the time of such termination that would give rise to a claim for indemnification thereunder, and (ii) that no "Company Material Adverse Effect," as defined in the Protek Agreement, shall exist at the time of such termination, and provided, further, that such payment of Transaction Expenses shall be made first by offset against the principal amount and accrued but unpaid interest owed to Daleen under the Protek Bridge Facility (as defined in the Protek Agreement).

(e) Any payment required to be made pursuant to this Section 10 shall be made as promptly as practicable but, in the case of paragraphs (c) and (d), not later than five (5) business days after the final determination by the Quadrangle Entities or Protek respectively of such amount and shall (subject to the second proviso of paragraph (d) immediately preceding) be made by wire transfer of immediately available funds to an account designated in writing by the Quadrangle Entities or Protek, as the case may be.

11. No Publicity. No Party hereto shall issue any press release or make any public announcement concerning this Agreement or the Transaction Agreements, nor any transaction contemplated hereby or thereby, without the prior written consent of each other Party hereto, which they may withhold in their reasonable discretion (it being acknowledged and agreed that such discretion in approval may reasonably include the effects of any such publicity on Daleen, including the effects of the requirements of U.S. Federal securities laws and the costs and administrative inconvenience which might be imposed by requiring parallel announcements by Daleen). It is acknowledged and agreed that Daleen will publicly announce the execution of this Agreement, the Protek Agreement, the Daleen Agreement and the Investment Agreement, and will make such other public filings in respect thereof and of the transactions contemplated hereby and thereby as are required by law or are necessary or appropriate in order to effect the transactions contemplated hereby and thereby.

12. Miscellaneous. This Agreement is governed by New York law without regard to principles of conflict of law. Together with the Transaction Agreements, this Agreement constitutes the entire agreement of the Parties in respect of the subject matter of this Agreement and may only be amended in writing by a document signed by all the Parties. This Agreement may be signed in counterparts.

[Remainder of page intentionally left blank; counterpart signature pages follow]

The undersigned have executed this Agreement, intending to be bound hereby, as of the date first set forth above.

QUADRANGLE CAPITAL PARTNERS LP
By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

QUADRANGLE SELECT PARTNERS LP
By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

QUADRANGLE CAPITAL PARTNERS-A LP
By: Quadrangle GP Investors LP, its General Partner
By: Quadrangle GP Investors LLC, its General Partner

By: /s/ Michael Huber

Name: Michael Huber

Title: Managing Principal

Address for Notices for above signatories:

Quadrangle Group LLC
375 Park Avenue
New York, New York 10152
Attention: Chief Financial Officer
Facsimile number: (212) 418-1701
Electronic mail address:
michael.huber@quadranglegroup.com

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

Weil, Gotshal & Manges LLP
100 Federal Street
Boston, MA 02110
Attention: James Westra, Esq.
Facsimile number: (617) 772-8333
Electronic mail address: james.westra@weil.com

The undersigned have executed this Agreement, intending to be bound hereby, as of the date first set forth above.

DALEEN TECHNOLOGIES, INC.

By: /s/ Gordon Quick

Name: Gordon Quick

Title: President and Chief Executive Officer

DALEEN HOLDINGS, INC.

By: /s/ Gordon Quick

Name: Gordon Quick

Title: Chief Executive Officer

Address for Notices for above signatories:

Daleen Technologies Inc.
902 Clint Moore Road, Suite 230
Boca Raton, FL 33489
Attention: Director of Legal Affairs
Facsimile number: (561) 981-1106
Electronic mail address: dlandry@daleen.com

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

Kirkpatrick & Lockhart LLP
535 Smithfield Street
Pittsburgh, PA 15222
Attention: Robert P. Zinn, Esq.
Facsimile number: (412) 355-6501
Electronic mail address: rzinn@kl.com

The undersigned have executed this Agreement, intending to be bound hereby, as of the date first set forth above.

BEHRMAN CAPITAL II, L.P.

By: Behrman Brothers, LLC, its General Partner

By: /s/ Grant Behrman

Name: Grant Behrman

Title: Managing Member

STRATEGIC ENTREPRENEUR FUND II, L.P.

By: /s/ Grant Behrman

Name: Grant Behrman

Title: General Partner

The undersigned have executed this Agreement, intending to be bound hereby, as of the date first set forth above.

PROTEK TELECOMMUNICATIONS SOLUTIONS LTD.

By: /s/ Paul A. Beaumont

Name: Paul A. Beumont

Title: Chief Executive Officer

PAUL A. BEAUMONT

/s/ Paul A. Beumont

GEOFF BUTCHER

/s/ Geoff Butcher

IAN WATTERSON

/s/ Ian Watterson
