

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 13D

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

Filing Date: **2001-04-18**  
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### SUBJECT COMPANY

#### **SICKBAY HEALTH MEDIA INC**

CIK: **1012464** | IRS No.: **22222136** | State of Incorp.: **UT** | Fiscal Year End: **1231**  
Type: **SC 13D** | Act: 34 | File No.: **005-61425** | Film No.: **1605663**  
SIC: **3842** Orthopedic, prosthetic & surgical appliances & supplies

Mailing Address  
**510 BROADHOLLOW ROAD**  
**SUITE 300**  
**MELVILLE NY 11747**

Business Address  
**510 BROADHOLLOW ROAD**  
**SUITE 300**  
**MELVILLE NY 11747**  
**6316940400**

### FILED BY

#### **FIRST FRONTIER HOLDINGS INC**

CIK: **1138670**  
Type: **SC 13D**

Business Address  
**111 GREAT NECK ROAD**  
**GREAT NECK NY 11021**

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
Sickbay Health Media, Inc. f\k\ a Sickbay.com, Inc.  
(Name of Issuer)

Common Stock, \$.001  
(Title of Class of Securities)

825837 10 7  
(CUSIP Number)

Glen B. Bilbo  
First Frontier Holdings, Inc.  
111 Great Neck Road, Suite 200, Great Neck, NY 11021  
(516) 482-4400

Copy to:  
Steven A. Sanders, Esq.  
Spitzer & Feldman P.C.  
405 Park Avenue  
New York, New York 10022  
212/888-6680

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

June 22, 2000  
(Date of Event which Requires Filing of this Statement)

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

1. Names of Reporting Persons.

2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a) N/A  
(b) N/A
3. SEC Use Only
4. Source of Funds (See Instructions) - WC
5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) - No
6. Citizenship or Place of Organization - New York, New York

Number of Shares Beneficially Owned by Each Reporting Person

7. Sole Voting Power - 3,549,625
8. Shared Voting Power - None
9. Sole Dispositive Power - 3,549,625
10. Shared Dispositive Power - None
11. Aggregate Amount Beneficially Owned by Each Reporting Person - 3,549,625
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) - Yes (See Attached)
13. Percent of Class Represented by Amount in Row (11) - 13.8% as of April 17, 2001 as reported by the Transfer Agent representing 23,152,729 Shares of Common Stock Outstanding plus 500,000 Shares of Preferred Stock Outstanding (No Prior Filings with Outstanding Shares)
14. Type of Reporting Person (See Instructions) - CO

Item 1. Security and Issuer

This statement relates to shares of common stock, \$.001 par value per share, of Sickbay Health Media, Inc. ("Issuer Common Stock"), a Utah corporation (the "Issuer"). The principal executive offices of the Issuer are Sickbay Health Media, Inc. 510 Broadhollow Road, Melville, New York.

## Item 2. Identity and Background

This statement is being filed by First Frontier Holdings, Inc., a New York corporation (the "Reporting Person"). The principal executive offices of the Reporting Person are located at 111 Great Neck Road, Suite 200, Great Neck, New York 11021. The Reporting Person is strictly engaged in the business of investing in both public and private companies. In regards to its investment in the Issuer, the Reporting Person is taking an active management role.

Mr. Glen B. Bilbo is the President of the Reporting Person. Mr. Bilbo's business address is 111 Great Neck Road, Great Neck, New York 11021. Mr. Bilbo is the sole officer of the Reporting Person and the Reporting Person has no directors. During the last five years, neither the Reporting Person nor, to the best knowledge of the Reporting Person, has Glen B. Bilbo been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or in subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

## Item 3. Source and Amount of Funds or Other Consideration

The purchase price of \$3,549,625 was paid out of the working capital of the Reporting Person.

## Item 4. Purpose of Transaction

Pursuant to a Stock Purchase Agreement, dated February 11, 2000 (the "Stock Purchase Agreement"), between the Reporting Person and the Issuer, the Reporting Person agreed to purchase up to 6,400,000 shares of the Issuer's common stock for the period commencing on February 11, 2000 and terminating on May 1, 2001 for a total purchase price of \$6,400,000. Pursuant to the terms of a Registration Rights Agreement, dated March 2, 2000, between the Reporting Person and the Issuer (the "Registration Rights Agreement"), the Reporting Person has the right to require the Issuer to file a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the registration of any or all of the shares of Issuer Common Stock received by the Reporting Person (the "Registrable Securities") at any time after a Qualified Secondary Offering, as that term is defined in the Registration Rights Agreement. The Reporting Person is also entitled to "piggyback" registration rights, which are exercisable at

any time. The Reporting Person's demand and piggyback registration rights are

subject to customary restrictions and limitations.

The Issuer has agreed to pay all registration expenses in connection with the registration of the Registrable Securities except that selling expenses attributable to the Reporting Person shall be borne by the Reporting Person. In addition, in connection with any registration statement filed pursuant to the Registration Rights Agreement, the Issuer and the Reporting Person have agreed to indemnify each other against certain liabilities, including certain liabilities under the Securities Act.

The registration rights with respect to the Registrable Securities may be transferred with limited restrictions.

On May 11, 2000, Glen B. Bilbo, an executive officer of the Reporting Person was appointed to the Board of Directors of the Issuer by the Directors of the Issuer.

The Reporting Person intends to review on a continuing basis its investment in the Issuer. Subject to the limitations described above, the Reporting Person may decide to increase or decrease its investment in the Issuer depending on the price and availability of the Issuer's securities, subsequent developments affecting the Issuer, the Issuer's business and prospects, other investment and business opportunities available to the Reporting Person, general stock market and economic conditions, tax considerations and other factors.

Other than as described above, the Reporting Person does not have any present plans or proposals that relate to or would result in any of the actions described in paragraphs (a) through (j) of Item 4 of Schedule 13D.

#### Item 5. Interest in Securities of the Issuer

(a) and (b) As of July 17, 2001, the Reporting Person was the record owner of 3,549,625 shares of Issuer Common Stock, representing 13.8% of the outstanding shares of the Issuer Common Stock (based on the number of shares of Issuer Common and Preferred Stock outstanding as of July 17, 2001, after giving effect to the number of shares purchased by the Reporting Person). The Reporting Person has the sole power to vote or to direct the vote and sole power to dispose or to direct with the disposition of the Share of Issuer Common Stock that it owns.

(c) Except as set forth in Item 4, to the best knowledge of the Reporting Person, the Reporting Person and no other person described in Item 2 hereof has beneficial ownership of, or has engaged in any transaction during the past 60 days in, any shares of the Issuer Common Stock.

(d) No other person has the right to receive dividends from, or the proceeds from the sale of, the shares of the Issuer Common Stock referred to in this Item 5. To the best knowledge of the Reporting Person, no person, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Issuer Common Stock.

(e) Not applicable.

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

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Except as set forth in Item 4 of this Statement, to the best knowledge of the Reporting Person, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Issuer, including but not limited to, transfer or voting of any of the securities of the Issuer, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding or proxies, or a pledge or contingency the occurrence of which would give another person voting power over the securities of the Issuer.

Item 7. Material to Be Filed as Exhibits

1. Stock Purchase Agreement, dated February 11, 2000, between First Frontier Holdings, Inc. and Sickbay.com, Inc.

2. Registration Rights Agreement, dated March 2, 2000, between First Frontier Holdings, Inc. and Sickbay.com, Inc.

SIGNATURE

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

FIRST FRONTIER HOLDINGS, INC.

By: /s/ Glen B. Bilbo  
Name: Glen B. Bilbo  
Title: President

DATED: April 18, 2001

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibits
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1. Stock Purchase Agreement, dated February 11, 2000, between First Frontier Holdings, Inc. and Sickbay.com, Inc.

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Sickbay.com, Inc.  
(a Utah corporation)

Common Stock

STOCK PURCHASE AGREEMENT

Dated: \_\_\_\_\_, 2000

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THIS STOCK PURCHASE AGREEMENT ("Agreement") dated as of February 11, 2000 is by and among Sickbay.com, Inc., a Utah corporation (the "Company") and First Frontier Holdings, Inc., a New York corporation ("FFH").

RECITALS

WHEREAS, the Company desires to issue and sell to FFH in accordance with and subject to the terms and conditions set forth in this Agreement the number of shares of Common Stock, par value \$.001 per share, of the Company set forth in paragraph 3(a) of this Agreement (the "FFH Shares");

WHEREAS, FFH desires to purchase from the Company in accordance with and subject to the terms and conditions set forth in this Agreement the FFH Shares;

WHEREAS, simultaneous with the Closing (defined herein) of the purchase and sale of the FFH Shares, the Company, FFH, and each of the other stockholders of the Company shall enter into a stockholders agreement and a registration rights agreement, each dated as of the date of the Closing (the "Stockholders'

Agreement" and the "Registration Rights Agreement", respectively), the forms of which are attached hereto as Exhibits A and B, respectively;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Representations and Warranties by the Company. The Company represents and warrants to FFH as of the time of Closing on the date hereof, and agrees with FFH, as follows:

(a) Organization and Good Standing; Power and Authority; Qualifications. The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Utah and (ii) has all requisite corporate power and authority to own, lease and operate its properties, to carry on the business of the Company conducted prior to the execution of this Agreement and proposed to be conducted following the execution of this Agreement and to enter into and carry out the transactions contemplated by this Agreement and the other Documents (defined herein) and to perform the obligations contemplated by the Certificate of Incorporation. The Company is duly qualified to transact business as a foreign corporation in, and is in good standing under the laws

of, those jurisdictions listed on Schedule 1 hereto, which jurisdictions constitute all of the jurisdictions wherein the character of the property owned or leased by the Company or the nature of the activities conducted by the Company makes such qualification necessary, except for those jurisdictions where the failure to be so qualified and in good standing would not result in a material adverse change in the business, operations, properties, assets or financial condition, or in the earnings, business affairs or business prospects of the Company (a "Material Adverse Effect").

(b) Authorization, Preparation and Filing of the Certificate. The preparation and filing with the Secretary of State of the State of Utah of the Company's First Amended and Restated Certificate of Incorporation has been duly authorized by all requisite corporate action on the part of the Company, and no other corporate action on the part of the Company is necessary with respect to such preparation and filing.

(c) Authorization of the Documents. The execution, delivery and performance by the Company of each of this Agreement, the Stockholders' Agreement and the Registration Rights Agreement (collectively, the "Documents") has been duly authorized by all requisite corporate action on the part of the Company, and no other corporate action on the part of the Company is necessary to authorize the execution, delivery and performance of the Documents. Each of the Documents constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization,

moratorium or other similar laws affecting creditors' rights generally and equitable principles generally.

(d) Authorized Capital. The authorized capital of the Company consists of:

(i) 500,000 shares of Preferred Stock, par value \$.001 per share ("Preferred Stock"), of which 500,000 shares are designated Series A Shares; and

(ii) 19,650,000 shares of Common Stock, par value, \$.001 per share ("Common Stock"), of which (A) \_\_\_\_\_ shares are outstanding, which such shares shall represent \_\_\_\_\_ % of the aggregate Common Stock Equivalents (defined below) of the Company immediately following the Closing, (B) \_\_\_\_\_ shares have been duly reserved for issuance to employees, officers, directors, advisors and consultants of the Company upon the exercise of stock options or as Common Stock the free transferability of which vests over time (collectively, "Permitted Options and Restricted Stock"), which such shares shall represent \_\_\_\_\_ % of the aggregate Common Stock Equivalents of the Company immediately following the

Closing. For purposes of this Agreement, the term "Common Stock Equivalents" as measured on any date shall mean shares of Common Stock or other securities of the Company having the same rights and privileges of Common Stock outstanding on such date, shares of Common Stock into or for which any securities of the Company are convertible, exchangeable or exercisable on such date, and shares of Common Stock reserved for issuance upon the exercise of stock options or issuable as Common Stock subject to restricted transfer, including, without limitation, the Permitted Options and Restricted Stock.

(e) Issued and Outstanding Capital Stock. The shares of issued and outstanding capital stock of the Company immediately prior to the Closing have been duly authorized and validly issued, and are fully paid and nonassessable with no personal liability attaching to the ownership thereof; none of the shares of outstanding capital stock of the Company are subject to preemptive or similar rights of the stockholders of the Company or others. Schedule 1 hereto contains a list of (i) all holders of record of capital stock of the Company who are either officers, directors or holders of 10% or more of any class, including the number of shares of capital stock held by each such holder, and (ii) all outstanding warrants, options, agreements, convertible securities or other commitments pursuant to which the Company is or may become obligated to issue any shares of its capital stock or other securities, which names all persons entitled of record to receive such shares or other securities, the shares of capital stock or other securities required to be issued thereunder as of the date hereof and the price per share, if any, payable with respect to the issuance of any share of capital stock issuable thereunder. The Company has no knowledge after due inquiry of the names of any beneficial owners of shares of

capital stock of the Company who are not otherwise holders of record. Except as set forth on Schedule 1 or as contemplated by the Documents or the Certificate of Incorporation there are, and immediately after the Closing there will be, no rights, including preemptive or similar rights, to purchase or otherwise acquire shares or sell or otherwise transfer shares of the capital stock of the Company pursuant to any provision of law, the Certificate of Incorporation or the Company's by-laws, or any agreement to which the Company is a party; and, except as set forth on Schedule 1 or as contemplated by the Documents or the Certificate of Incorporation, to the Company's knowledge after due inquiry, there are no agreements, restrictions or encumbrances (including, without limitation, any right of first refusal, right of first offer, proxy, voting agreement, voting trust, registration rights agreement, stockholders' agreement, or the like, whether or not the Company is a party thereto) with respect to the purchase, sale or voting of any shares of capital stock of the Company (whether outstanding or issuable upon conversion or exercise of outstanding securities). Except as contemplated by the Documents

or the Certificate of Incorporation, no person has the right to nominate or elect one or more directors of the Company.

(f) Authorization and Issuance of Capital Stock. The authorization, issuance, sale and delivery of the FFH Shares pursuant to this Agreement have been duly authorized by all requisite corporate action on the part of the Company, and the FFH Shares, when issued, sold and delivered in accordance with this Agreement will be validly issued and outstanding, fully paid and nonassessable with no personal liability attaching to the ownership thereof, free of any Encumbrances (defined herein) and not subject to preemptive or similar rights of the stockholders of the Company or other rights, in each case created by the Company. The terms, designations, powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions, of the FFH Shares are as stated in the Certificate of Incorporation, this Agreement and the other Documents.

(g) Offering Exemption; Private Placement. Subject to and based upon the representations and warranties of FFH the offer and sale of the FFH Shares as contemplated hereby are each exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and under applicable state securities and "blue sky" laws, as currently in effect. Neither the Company nor any affiliate (as defined in Rule 405 under the Securities Act) of the Company has (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the sale of the FFH Shares in a manner that would require the registration under the Securities Act of the FFH Shares or (ii) engaged in any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) in connection with the offer and sale of the FFH Shares.

(h) Registration Rights. The only persons other than those contemplated by the Registration Rights Agreement who have registration rights or other similar rights to have any securities registered by the Company under the Securities Act are those persons who are warrant holders to the Company and whose names have been disclosed to FFH in writing.

(i) Consents. No permit, authorization, consent or approval of or by, or any notification of or filing with, any person (governmental or private) is required of the Company in connection with the execution, delivery and performance by the Company of this Agreement or the other Documents or any documentation relating thereto, the performance by the Company of its obligations under the Certificate of Incorporation, the consummation by the Company

of the transactions contemplated hereby or thereby, or the issuance, sale or delivery of the FFH Shares (other than such notifications or filings required under the General Corporation Law of the State of Utah and applicable federal and state securities laws, if any, which shall be made on a timely basis) except where the absence of such permit, authorization, consent, approval, notification or filing would not result in a Material Adverse Effect.

(j) Disclosures. No representation or warranty contained in this Agreement or Schedule 1 hereto, when read together, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances in which they were made.

(k) Corporate Minute Books. The Company has made available to FFH true and correct copies of all minutes of meetings or other actions by the directors, stockholders or incorporators and the by-laws of the Company held, taken or adopted since December 29, 1999, the date Sickbay took control of the Company.

(l) Assets. The Company has good and valid title to, or a leasehold or license to or interest in, all of its assets and properties, free and clear of any mortgages, judgments, claims, liens, security interests, pledges, escrows, charges or other encumbrances of any kind or character whatsoever ("Encumbrances") except (i) Encumbrances for Taxes (defined herein) not yet due and payable; (ii) Encumbrances which arise in the ordinary course of business and do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and do not materially impair the Company's ownership of any such asset or property or the Company's ability to obtain financing by using such assets or property as collateral and (iii) Encumbrances that could not reasonably be expected to result in a Material Adverse Effect. Schedule 1 hereto contains a list of all of the material assets and properties to or in which the Company has title, leasehold, license or interest.

(m) Equity Investments. Except for Sick-Bay.com, Inc., a Delaware corporation ("Sick-Bay Delaware") the Company has not had nor does it currently have, any subsidiaries, nor has it owned, nor does it currently own, any capital stock or other proprietary interest, directly or indirectly, in any corporation, association, trust, partnership, joint venture or other entity.

(n) Absence of Undisclosed Liabilities. The Company has no material liabilities or obligations (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become

due) other than liabilities or obligations disclosed in Schedule 1.

(o) Use of Proceeds. Except as disclosed on Schedule 1, the Company is not required pursuant to any agreement, arrangement or the like to apply the proceeds received from the sale of the FFH Shares pursuant to the transactions contemplated hereby in any specified manner including, without limitation, the repayment of any obligations of the Company.

(p) Intellectual Property Rights. As applicable:

(i) For purposes of this Agreement, the term "Intellectual Property" shall mean (A) inventions and discoveries (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and reexaminations of such patents, patent applications and patent disclosures, (B) trademarks, service marks, trade names, trade dress, logos, corporate names, Internet domain names and world wide web uniform resource locators, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, (C) copyrightable works, copyrights, and applications, registrations and renewals in connection therewith, (D) source code, object code, data, programs and techniques, (F) trade secrets, proprietary information, whether patentable or unpatentable and whether or not reduced to writing (including ideas, research and development, formulas, processes and techniques, business methods, algorithms, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), and (G) all copies and tangible embodiments of the foregoing (in whatever form or medium).

(ii) Schedule 1 contains a list of all of the Intellectual Property to and of which the Company has full title and ownership. The Company has taken all material steps reasonably necessary to preserve its legal rights in, and the secrecy of, all Intellectual Property to which the Company has full title and ownership, except those for which disclosure is required for

legitimate business or legal reasons or where disclosure will not have a Material Adverse Effect on the Company.

(iii) Except as set forth in Schedule 1, (A) the Company has or expects to be able to obtain on commercially reasonable terms all of the Intellectual Property necessary to enable the Company to carry on its business as referred to in Section 1(a) hereof and (B) to the Company's knowledge, no third party has any ownership right, title, interest, claim in or lien on any of the

Intellectual Property to which the Company has full title and ownership.

(iv) Except as set forth in Schedule 1, to the Company's knowledge, the Company has not violated or infringed, is not currently violating or infringing, has not received any written communications alleging that the Company (or any employees, consultants, contractors or other agents of the Company in their capacity as such) has violated or infringed, and has not received any written communications alleging that, by conducting the business of the Company referred to in Section 1(a) hereof, would violate or infringe, any Intellectual Property of any other person or entity.

(v) To the best knowledge of the Company, after due inquiry, no third party has interfered with, infringed upon or misappropriated any Intellectual Property to which the Company has full title and ownership.

(vi) Schedule 1 sets forth all of the patent applications currently being prepared or prosecuted for the Company, and the Company has not filed any patent applications or been granted any patents.

(vii) The Company has not granted any sublicense or similar right with respect to any Intellectual Property to which the Company has full title and ownership; no item of Intellectual Property is subject to any outstanding injunction, judgment, order, decree, ruling or change; and no action, suit, proceeding, hearing, investigation or complaint is pending or, to the Company's knowledge after due inquiry, is threatened against the Company or any Founder which challenges the legality, validity, or enforceability of any such item of Intellectual Property, except where the same would not have a Material Adverse Effect.

(viii) Each of the employees of the Company has executed and delivered to the Company an Intellectual Property confidentiality agreement in the customary form and covering matters of the type customarily covered in such agreement. The Company has not disclosed any of its proprietary information (other than (A) in the ordinary course of business, or (B) in due diligence with potential investors, lenders or parties to potential strategic relationships), except where such disclosure would not have a Material Adverse Effect.

(q) Employees.

(i) Schedule 1 contains a list of all agreements with employees, consultants and advisors of the Company, indicating for

each such employee such employee's time commitment (if less than full time). Except as set forth on Schedule 1, the Company has no knowledge after due inquiry that any officer, employee or group of employees intends to terminate his, her or their employment with the Company, nor does the Company have a present intention to terminate the employment of any officer, employee or group of employees. Except as set forth in Schedule 1, the Company is not delinquent in payments to any of its employees, for any wages, salaries, commissions, bonuses or other direct compensation for any services performed by the date hereof or amounts required to be reimbursed by it to the date hereof.

(ii) Schedule 1 hereto contains a true and complete list of (A) each plan, program, policy, contract, agreement or other arrangement providing for compensation, severance, termination pay, performance awards, stock or stock-related awards, fringe benefits or other employee benefits of any kind, whether formal or informal, funded or unfunded, and whether or not legally binding, which is now or previously has been sponsored, maintained, contributed to or required to be contributed to by the Company or pursuant to which the Company has any liability, contingent or otherwise, including, but not limited to, any "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (each a "Benefit Plan"); and (B) each management, employment, bonus, option, equity (or equity related), severance, consulting, non-compete, confidentiality or similar agreement or contract between the Company and any current employee, officer, consultant, independent contractor, agent or director of the Company (an "Employee") (each an "Employee Agreement"). The Company does not currently sponsor, maintain, contribute to, nor is it required to contribute to, nor has the Company ever sponsored, maintained, contributed to or been required to contribute to, or incurred any liability to, (i) any "defined benefit plan" (as defined in ERISA Section 3(35)); (ii) any "multiemployer plan" (as defined in ERISA Section 3(37)) or (iii) any Benefit Plan which provides, or has any liability to provide, life insurance, medical, severance or other employee welfare benefits to any Employee upon his or her retirement or termination of employment, except as required by Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code").

(iii) Based upon the representations of the Company's employees, the Company is not aware that any employee, consultant, contractor or other agent of the Company was or is obligated under any agreement (including licenses, covenants or commitments of any nature) or subject to any

judgment, decree or order of any court or administrative agency, or any other restriction that would interfere with the use of such person's best efforts to carry out such person's duties for the Company or to promote the interests of

the Company or that would conflict with the business of the Company referred to in Section 1(a) hereof except where the same would not have a Material Adverse Effect. Schedule 1 identifies agreements entered into between each Founder and his prior employer, which such agreements have been provided to FFH.

(r) Related Transactions. No current stockholder, director, officer or employee of the Company, any "associate" (as defined in the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended) of the Company, or any member of the family of any of the foregoing is presently, or since the organization of the Company, has been, directly or indirectly through such person's affiliation with any other person or entity, a party to any agreement or transaction with the Company, other than in connection with any such person's duties as a director, officer or employee of the Company.

(s) Taxes. "Tax" or "Taxes," for purposes of this Agreement, means any taxes, assessments, duties, fees, levies, imposts, deductions, withholdings, or other governmental charges of any nature whatsoever and any liabilities with respect thereto, including any penalties, additions to tax, fines or interest thereon, imposed by any government or taxing authority of any country or political subdivision of any country.

(t) Agreements.

(i) Schedule 1 hereto contains a list of any and all written indentures, mortgages, guaranties, leases, licenses, loans, credit agreements, notes or other contracts, agreements or understandings (each a "Contract") to which the Company is a party.

(ii) Complete copies of all Contracts required to be listed on Schedule 1 pursuant to Section 1(t)(i), including all amendments thereto, have been delivered or made available to FFH. All of the Contracts will continue to be legal, valid, binding, enforceable, and in full force and effect against the Company on identical terms following the execution of this Agreement. There has been no breach, violation or default by the Company and no event which, with notice or lapse of time or both, would (A) constitute a material breach, violation or default by the Company under any such Contract or (B) give rise to any lien or right of termination, modification, cancellation, prepayment, suspension, limitation, revocation or acceleration against the Company under any such Contract the effect of which would be to, or be reasonably likely to, result in a Material Adverse Effect; and no other party to any such Contract is in arrears in respect of

the performance or satisfaction of the terms and conditions on its part to be performed or satisfied thereunder and, except as disclosed on

Schedule 1, no waiver or indulgence has been granted by any of the parties thereto and no party to any such Contract has repudiated any provision thereof.

(u) Compliance with Laws; Permits. The Company (i) has complied with all federal, state, local and foreign laws, rules, regulations, judgments and orders applicable to the Company and the business of the Company referred to in Section 1(a) hereof, except where the failure, individually or in the aggregate, to have so complied would not reasonably be expected to result in a Material Adverse Effect, and (ii) other than making filings under the business corporation laws of Utah and New York, the Company has not been required to obtain any federal, state, local or foreign governmental licenses, permits and qualifications material to and necessary in the conduct of the business of the Company referred to in Section 1(a) hereof.

(v) No Conflict. The Company is not in violation of its Certificate of Incorporation or by-laws or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any Contract required to be set forth on Schedule 1 hereto. The execution, delivery and performance by the Company of the Documents, the consummation by the Company of the transactions contemplated thereby, and the issuance, sale and delivery of the FFH Shares by the Company will not (i) materially violate any provision of law, statute, rule or regulation, or any ruling, writ, injunction, order, judgment or decree of any court, administrative agency or other governmental body applicable to the Company or any of the properties or assets of the Company, (ii) materially conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute (with due notice or lapse of time, or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation of any Encumbrance upon any of the properties or assets of the Company under, any material Contract or (iii) violate the certificate of incorporation or the by-laws of the Company.

(w) Litigation; Orders. There is no civil, criminal or administrative action, suit, notice, hearing, inquiry, proceeding or investigation at law or in equity or by or before any court, arbitrator or similar panel, governmental instrumentality or other agency now pending or, to the best knowledge of the Company, after due inquiry, threatened against the Company, any officer of the Company, or the Intellectual Property or other property owned by the Company. The Company is not subject to any order, writ, injunction or decree of any court of any federal, state, municipal or other domestic or foreign governmental department, commission, board, bureau, agency or instrumentality.

(x) No Real Property. The Company previously maintained

offices at 181 Old Country Road, Hicksville, New York and presently maintains principal offices at 510 Broadhollow Road, Melville, New York and the sales offices at in Woodland Hills, California.

(y) No Brokers or Finders. Except as disclosed on Schedule 1, neither the Company nor any of the officers, directors, employees or stockholders of the Company has employed any broker or finder in connection with the transactions with FFH contemplated by this Agreement or the other Documents, and no commissions, fees or the like are required to be paid on behalf of the Company to any party in connection with the issuance or sale of the FFH Shares pursuant to this Agreement.

(z) Investment Banking Services. Prior to entering into this Agreement, the Company was not a party to any agreement, arrangement or the like that grants rights to any third party with respect to the performance of investment banking services for the Company, including, without limitation, with respect to the sale of the Company or a public offering, including an initial public offering, of securities of the Company.

(aa) Suitability. None of the officers and directors of the Company (i) has ever been indicted for or convicted of any felony or any crime involving fraud or misrepresentation; (ii) is subject to any order, judgment or decree of any court of competent jurisdiction or any governmental authority barring, suspending, or otherwise limiting the right of the Company or such person to engage in any activity conducted by the Company; or (iii) has been denied any license or permit affecting the Company's or such person's ability to conduct any activity conducted by the Company, nor is there any basis upon which such liability to conduct any activity conducted or to be conducted by the Company may be denied.

2. Representations and Warranties of FFH. FFH represents and warrants to the Company as of the date hereof and as of the Initial Closing (as that term is defined in paragraph 3(f) below), and agrees with the Company, as follows:

(a) Purchase Entirely for Own Account. FFH is acquiring the FFH Shares to be purchased by it under this Agreement for its own account, for investment and not with a view to the distribution thereof within the meaning of the Securities Act; provided, however, that FFH may transfer such the FFH Shares at any time to any of its affiliates so long as any such transfer does not effect a change in the investment intent of any such transferee. For purposes of this Agreement, the term "affiliate" shall mean (i) in the case of a corporation or other entity, any corporation or other entity in which the subject person (A) (1) owns or controls the voting rights of 50% or more of the capital 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 entity or (2) has the right to nominate and/or elect at least one-half of the members of the board of directors of such corporation or entity or (3) at least one-half of the then current members of the board of directors of such corporation or entity were nominated or designated for election as directors of such corporation by the subject person and (B) for financial reporting purposes, the financial statements of the subject person includes on a consolidated basis the financial statements of such corporation or other entity, and (ii) in the case of an individual, a member of that individual's immediate family, by blood or marriage.

(b) Restricted Securities. FFH understands that (i) the FFH Shares have not been and will not be registered under the Securities Act, by reason of their issuance by the Company in a transaction exempt from the registration requirements of the Securities Act and (ii) the FFH Shares may not be sold unless such disposition is registered under the Securities Act or is exempt from registration thereunder. FFH further understands that the exemption from registration afforded by Rule 144 (the provisions of which are known to FFH) promulgated under the Securities Act depends on the satisfaction of various conditions, and that, if applicable, Rule 144 may afford the basis for sales only in limited amounts.

(c) Accredited Investor. FFH is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act. FFH (i) fully understands that an investment in the Company is highly speculative and that FFH may lose its entire investment in the FFH Shares; (ii) is experienced in evaluating and investing in companies such as the Company, (iii) is capable of evaluating the merits and risks of FFH's investment in the FFH Shares; (iv) is able to bear the economic risk of a loss of the entire amount of its investment in the FFH Shares; and (v) is prepared to hold FFH for an indefinite period of time.

(d) Disclosure of Information. FFH has received from the Company all of the information which FFH has requested. FFH further represents that FFH has had an opportunity to ask questions and receive answers from the Company regarding the business of the Company referred to in Section 1(a) hereof and the terms and conditions of the offering of the Series A Shares. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 1 or the right of FFH to rely thereon.

(e) Due Authorization. FFH has full power and authority to enter into the Documents to which FFH is a party and to carry out the transactions contemplated by such Documents, each such Document has been duly authorized by all necessary corporate or other action on the part of FFH, and each such Document constitutes a valid and

binding agreement of FFH enforceable against FFH in accordance with its terms except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and equitable principles generally.

(f) **Consents.** No permit, authorization, consent or approval of or by, or any notification of or filing with, any person (governmental or private) is required of FFH in connection with the execution, delivery and performance of this Agreement or the other Documents to which FFH is a party, the consummation by FFH of the transactions contemplated hereby or thereby (other than such notifications or filings required under the General Corporation Law of the State of Utah and applicable federal and state securities laws, if any, which shall be made on a timely basis) except where the absence of such permit, authorization, consent, approval, notification or filing would not result in a material adverse change in the business, operations, properties, assets or financial condition, or in the earnings, business affairs or business prospects of FFH.

(g) **No Conflict.** The execution, delivery and performance by FFH of the Documents to which FFH is a party and the consummation by FFH of the transactions contemplated hereby and thereby will not (i) materially violate any provision of law, statute, rule or regulation, or any ruling, writ, injunction, order, judgment or decree of any court, administrative agency or other governmental body applicable to such Series A Investor or any of the properties or assets of FFH or (ii) violate the certificate of incorporation or the by-laws of FFH.

(h) **No Brokers or Finders.** Except as disclosed by FFH in writing to the Company prior to the date hereof, FFH has not employed any broker or finder in connection with the transactions contemplated by this Agreement or the other Documents, and no commissions, fees or the like are required to be paid on behalf of FFH to any party in connection with the issuance or sale of the FFH Shares pursuant to this Agreement.

### 3. Sale and Delivery of the Shares to FFH:

(a) **Sale and Purchase of the FFH Shares.** On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to FFH and FFH agrees to purchase from the Company, for the consideration specified in subparagraphs (b) and (c) of this Section 3 a total of up to Six Million Four Hundred Thousand (6,400,000) shares of the Company's Common Stock as follows:

(i) The Company has issued and authorized for delivery to FFH Five Hundred Thousand (500,000) shares of

the Company's Common Stock prior to the date hereof:

- (ii) The Company will issue and deliver to FFH One Million Two Hundred Fifty Thousand (1,250,000) additional shares of the Company's Common Stock on or before March 15, 2000;
- (iii) The Company will issue and deliver to FFH One Million Two Hundred Fifty Thousand (1,250,000) additional shares of the Company's Common Stock on or before May 1, 2000;
- (iv) The Company will issue and deliver to FFH One Million Four Hundred Thousand (1,400,000) additional shares of the Company's Common Stock on or before May 1, 2001, subject to adjustment as provided in subparagraph (e) hereof; and
- (v) The Company may, at its option, issue and deliver to FFH an additional Two Million (2,000,000) shares of the Company's Common Stock on the sooner of (a) March 1, 2001 or (b) the closing of any acquisition in which the Company acquires, with the consent of assistance of FFH, any entity with a valuation of Two Million Dollars (\$2,000,000) or more. The valuation procedure and the final valuation of any assets or services received by the Company as compensation for the issuance of the shares contemplated in this paragraph 3(c)(v) shall be mutually agreed upon by the parties to this Agreement.

(b) In exchange for the Shares required and permitted to be issued by the Company pursuant to subparagraph (a) hereof, FFH shall pay to the Company the cash amounts set forth below and provide the additional services set forth in paragraph (c) hereof.

- (i) Five Hundred Thousand Dollars (\$500,000), which has been paid to date;
- (ii) One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) on March 15, 2000;
- (iii) One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) on May 1, 2000; and
- (iv) If the additional Two Million (2,000,000) shares permitted to be delivered pursuant to paragraph 3(a)(v) above are so delivered, Two Million

Dollars (\$2,000,000) in cash, net additional consideration, shall be due upon delivery thereof.

(c) As additional consideration for the FFH Shares, FFH agrees to provide

the services itemized in Schedule 3(c) to this Agreement to the Company from March 2, 2000 to March 2, 2005 (the "Expiration of the Services Period"), unless earlier terminated by the Company. The parties to this Agreement have stipulated and agreed that the fair value of such services is Ten Million (\$10,000,000) Dollars, which amount shall be accounted for as an expense of the Company at the rate of Two Million Dollars (\$2,000,000) per annum; Five Hundred Thousand Dollars (\$500,000) per fiscal quarter. Notwithstanding the foregoing, the Company may terminate such services at any time, with or without cause. If the Company has cause for termination, FFH shall be required to return to the Company shares of the Company's Common Stock have a value equal to the unamortized portion of the services. For the purposes of this provision, if the services provision is terminated for cause, the fair value of the shares at the time thereof shall mean the greater of (i) Ten Dollars (\$10.00) per share, subject to adjustment based upon any change in the Company's capitalization; or (ii) the open market fair market value for such shares as determined by the average market price for such shares during the ten (10) days preceding any such termination. If the Company terminated the services of FFH without cause, FFH shall retain all of its shares.

(d) FFH shall have the right and option to purchase up to an additional Four Million (4,000,000) shares of the Company's Common Stock provided a closing is held on or before September 15, 2000 for an additional purchase price of Four Dollars per share (\$4.00). Such option to be exercisable by delivery of written notice of intention to exercise not later than ten (10) days before the scheduled closing date.

(e) FFH shall forfeit and return to the Company Two Hundred Thousand (200,000) shares per month for each month following September 30, 2000 that the Company's shares are not listed on the New York Stock Exchange, American Stock Exchange, NASDAQ National Market or NASDAQ Small Cap Market. Provided, however, that the maximum number of shares to be forfeited and returned hereunder shall be One Million Four Hundred Thousand (1,400,000) shares. Furthermore, in the event that prior to April 30, 2001: (i) a change of control occurs at the Company and FFH is unable to list the Company's shares on the above named exchanges due to that change of control; (ii) the Company determines, for any reason, that it no longer desires listing on an exchange; or (iii) the Company effectively terminates its relationship with FFH, the number of shares which have not been forfeited pursuant to this

paragraph 3(f) shall immediately vest to FFH free and clear of any and all liens, encumbrances, options or rights of others.

(f) Renewal Option. The Company has the option to renew FFH's services as defined in this paragraph 3. for a period of one year beginning on March 2, 2005 and expiring March 2, 2006 (the "FFH Option Expiration Date"). In order to exercise such option, the Company shall:

(i) notify FFH in writing of the Company's desire to exercise such option before December 1, 2004 (90 days prior to the expiration date); and

(ii) issue to FFH One Million (1,000,000) shares of its Common Stock to FFH prior to the FFH Option Expiration Date.

(g) Initial Closing. Payment of the purchase price for, and delivery of certificates for the FFH Shares shall be made at the offices of Beckman, Millman & Sanders, LLP, 116 John Street - Suite 1313, New York, New York 10038, or at such other place as shall be agreed upon by FFH and the Company, and shall be made at the time and date of execution of this Agreement (such payment and delivery being herein called the "Initial Closing").

(h) Subsequent Closings. Upon the occurrence of any of the events contemplated in paragraphs 3(a)(ii), 3(a)(iii) or 3(a)(iv) the Company and FFH shall exchange the appropriate funds and shares at a subsequent closing the terms of which shall be agreed to by both the Company and FFH either orally or otherwise.

(i) Form of Payment. Payment for the FFH Shares purchased hereunder shall be made to the Company by FFH by (i) a certified check or wire transfer of immediately available funds in the amounts specified in paragraphs 3(a)(i), (ii) and (iii) above.

(j) Denominations; Registration. Certificates for the FFH Shares purchased by FFH pursuant to this Agreement shall be in such denominations and registered in such names as FFH may request in writing at the Initial Closing.

#### 4. Covenants of the Company. The Company covenants with FFH as follows:

(a) Accounting Controls and Principles. The Company will maintain a system of internal accounting controls sufficient to provide reasonable assurance that transactions will be recorded as necessary to permit preparation of financial statements to maintain asset accountability and in conformity with generally accepted accounting principles consistently applied. Until such time that the Company is able to retain a "Big Five" independent accountant

as the independent auditor any disbursement or series of related disbursements by the Company in an aggregate amount of \$250,000 or more, shall require the approval of at least one of the directors elected to the Company's Board of Directors pursuant to Section 2.1.1(c) or Section 2.1.1(d) of the Stockholders' Agreement.

(b) Operating Plan. Within thirty (30) days prior to the beginning of each fiscal year, the Company shall cause the Company's management to provide for approval by the Board of Directors of the Company an operating plan in respect of such fiscal year, which operating plan shall include, without limitation, (i)

an annual budget (the "Annual Budget") for such fiscal year with details on forecasted revenues, operating costs, cashflow from operations, capital expenditures and other investing activities, and financing activities and (ii) other details as may reasonably be requested by the Board of Directors. Attached hereto as Exhibit C is the initial Annual Budget for the Company, which such initial Annual Budget covers a period of less than one year. The Company shall prepare, as soon as practicable after the date hereof, a detailed Annual Budget.

(c) Information Rights and Visitation Rights.

(i) FFH shall have the right, upon reasonable notice, during the Company's regular business hours, for any purpose reasonably related to FFH's interest as a stockholder of the Company, to visit the Company's facilities and to inspect the Company's books and records and to make copies thereof at FFH's expense.

(d) Private Placement. Neither the Company nor any affiliate (as defined in Rule 405 under the Securities Act) of the Company will (i) sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act) which will be integrated with the sale of the FFH Shares in a manner that would require the registration under the Securities Act of the FFH Shares or (ii) engage in any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) in connection with the offer and sale of the FFH Shares.

(e) Insurance. The Company shall, if it has not done so by the Initial Closing, promptly thereafter obtain and cause to be maintained the following insurance policies, each with a reputable insurer reasonably satisfactory to FFH and in form and substance reasonably satisfactory to FFH: (i) key-man life insurance policies for the benefit of the Company covering the lives of Messrs. Basile and Motola, each such policy to provide for payment of at least \$2,000,000 to the Company upon the death of the person covered thereby; (ii) a director and officer liability insurance policy for

the benefit of the executive officers and members of the Board of Directors of the Company, which such policy provides coverage in amount and scope consistent with prudent industry practice; and (iii) one or more insurance policies that insure all of the assets of the Company that are of insurable character against risks of liability, casualty and fire, theft and other losses and liabilities customarily obtained, if at all, to cover comparable businesses and assets in amounts, scope and coverage which are consistent with prudent industry practice.

(f) Transfer Taxes. The Company agrees that it will pay, and will hold FFH harmless from any and all liability with respect to any stamp or similar taxes which may be determined to be payable in connection with the execution and delivery and performance of this Agreement or any modification, amendment or alteration of the terms or provisions of this Agreement.

(g) Use of Proceeds. The Company shall use the net proceeds from the sale of the FFH Shares for working capital and general corporate purposes.

(h) Agreements with Employees. With respect to employees of the Company, the Company shall enter into and maintain agreements with each such employee, which agreements shall include provisions covering, among other things, protection of confidential information of the Company, and assignment of inventions and other intellectual property to the Company. In addition, the Company shall in its form employee agreement or in its employee policy manual include provisions obligating the employee of the Company covered thereby to refrain from competing with the Company during and following such employee's employment by the Company.

(i) Option and Restricted Stock Plan. On January 1, 2000 the Company adopted a Option and Restricted Stock Plan in the customary form and covering matters of the type customarily covered in such plan. Such plan provided for the reservation of Permitted Options and Restricted Stock for issuance to employees, officers, directors, advisors and consultants of the Company, which such shares shall represent One Million (1,000,000) shares or 4.0% of the aggregate Common Stock Equivalents of the Company immediately following the Initial Closing.

5. Conditions of FFH's Obligations. The obligations of FFH hereunder at the Initial Closing are subject to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) Stockholders' Agreement. At or prior to the Initial Closing, the Company and the holders of the Common Stock of the Company shall have executed and delivered to FFH the Stockholders'

Agreement and such Stockholders' Agreement shall be in full force and effect.

(b) Registration Rights Agreement. At or prior to the Initial Closing, the Company shall have executed and delivered to FFH the Registration Rights Agreement and such Registration Rights Agreement shall be in full force and effect.

(c) Employment Agreements. Each of the officers and key employees of the Company, including, without limitation, each of Messrs. Basile and Motola have entered into employment agreements dated January 1, 2000.

(d) Authorizations. All authorizations, permits and approvals (including Board of Directors and stockholder approvals) required for the consummation of the transactions contemplated hereby as of the date and time of the Initial Closing, shall have been received. The Company and each of the other parties to the Documents other than FFH shall have performed and complied in all material respects with all agreements, covenants and conditions contained in each

Document that are required to be performed or complied by the Company and such other parties at or before the Initial Closing.

(e) Opinion of Counsel for the Company. At the time of the Initial Closing, FFH shall have received the favorable opinion, dated as of the Initial Closing, of D. David Cohen, counsel to the Company, in such form and containing such representations as is customary for a transaction of the type contemplated herein.

(f) Additional Documents. All proceedings taken by the Company in connection with the issuance and sale of the FFH Shares as herein contemplated shall be reasonably satisfactory in form and substance to FFH and their counsel.

6. Conditions of the Company's Obligations. The obligations of the Company hereunder at the Initial Closing are subject to the performance by FFH of its covenants and other obligations hereunder, and to the following further conditions:

(a) Stockholders' Agreement. At or prior to the Initial Closing, FFH shall have executed and delivered to the Company the Stockholders' Agreement and such Stockholders' Agreement shall be in full force and effect.

(b) Registration Rights Agreement. At or prior to the Initial Closing, FFH shall have executed and delivered to the Company the Registration Rights Agreement and such Registration Agreement shall be in full force and effect.

(c) Opinion of Counsel for FFH. At the time of the Initial

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Closing, the Company shall have received the favorable opinion, dated as of the Initial Closing, of Beckman, Millman & Sanders, LLP, counsel to FFH, in such form and including such representations acceptable to the Company's counsel.

7. Confidentiality. Except as required by law or judicial order, any and all Confidential Information (as defined below) of either the Company or FFH shall be subject to the provisions of this Section 7 for a period of two (2) years following the later of (A) disclosure of such Confidential Information to the receiving party and (B) the date that FFH no longer has the right to nominate a director to the Board of Directors of the Company pursuant to Section 2.1.1(d) of the Stockholders' Agreement (the "Confidentiality Period"). Confidential or proprietary information disclosed by FFH or the Company, as well as the terms of the Documents and the investments by FFH in the Company, shall be considered confidential information (as hereinafter defined, the "Confidential Information"). Confidential Information shall not include any information which (i) is publicly available at the time of disclosure to the receiving party or thereafter becomes publicly available not as a result of a breach of any duty of confidentiality to any party hereunder, (ii) was known to the party charged with a confidentiality obligation hereunder before disclosure from the other party

hereto on a confidential basis; (iii) was obtained from a source which the receiving party reasonably believed owed no duty of confidentiality to any party hereunder, (iv) is authorized for release in writing by the disclosing party, (v) is developed by the receiving party completely independently of any Confidential Information received by such party, or (vi) that is required to be disclosed pursuant to applicable law, a court order, a judicial proceeding, or the enforcement hereof, provided that the disclosing party is provided with reasonable prior written notice so that the disclosing party may contest such disclosure. Neither the Confidential Information nor the terms of this Agreement shall be disclosed by the Company or FFH to any third party without the other party's prior written consent; provided that from and after the Initial Closing, the Company may disclose the terms of the sale and issuance of the FFH Shares and copies of the documents relating thereto, solely to the Company's employees, investors, investment bankers, lenders, accountants, legal counsel, business partners, and bona fide prospective investors, lenders and business partners, in each case only where such persons or entities have been advised by the Company of the confidential nature of such information and the Company's obligation with respect thereto and such parties, other than legal counsel, have executed and delivered to the Company an agreement containing confidentiality obligations substantially equivalent to those set forth in this Section 7; provided, however, that the Company may without the cover of confidentiality disclose orally or in writing that FFH has invested the funds contemplated

in this Agreement in the Company as the sole purchaser of the FFH Shares. In any event, during the Confidentiality Period, prior to the disclosure of any Confidential Information to a third party, the Company shall use its best efforts to obtain from such third party an executed agreement containing confidentiality obligations substantially equivalent to those set forth in this Section 7; provided, however, that in the event such executed agreement cannot be obtained, the Company may disclose only that information that has been previously approved by the Board of Directors of the Company as suitable for disclosure. The parties may at any time make public announcements or filings regarding the parties' relationship which are required by applicable law, regulatory bodies, or stock exchange or stock association rules, so long as the party so required to make the public announcement or filing, promptly upon learning of such requirement, notifies the other affected party of such requirement and in the case of public filings, including, without limitation, periodic and other reports filed under the Securities Exchange Act of 1934, as amended, seeks confidential treatment for information reasonably determined by the parties as appropriate for such treatment.

8. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect indefinitely, regardless of any investigation made by or on behalf of FFH, or by or on behalf of the Company, and shall survive delivery of the FFH Shares to FFH; provided, however, that the

representations, warranties and agreements contained in Sections 1(d), (e), (j), (l), (m), (n), (o), (p), (q), (r), (t), (w), (x), (z) and (aa) hereof shall survive for a period of only eighteen (18) months following the Initial Closing. Notwithstanding anything to the contrary contained in the foregoing, nothing in this Section 8 is intended to indicate that any representation or warranty will be true at any time other than at the time of simultaneous execution of this Agreement and the Initial Closing.

## 9. Indemnification.

(a) Indemnity by Company. The Company shall indemnify FFH and their directors, officers and employees against all expenses, costs, losses, claims, damages, liabilities and judgments (including, without limitation, reasonable attorney's fees and expenses) resulting from (i) any action or proceeding brought by a third party alleging that the Company's execution or consummation of this Agreement, the other Documents, the Certificate of Incorporation or otherwise conflicts with any commitment by such third party to provide financing to the Company, (ii) any breach of the representations and warranties of the Company set forth in Section 1 hereof other than the representations and warranties

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identified in the proviso to Section 8 that has resulted or is reasonably likely to result in a Material Adverse Effect and (iii) any breach of the representations and warranties of the Company set forth in Section 1 that are identified in the proviso of Section 8 that has resulted or is reasonably likely to result in a Material Adverse Effect and which Material Adverse Effect occurs within six (6) months from the date of discovery of the breach by the indemnified persons; provided, however, that such indemnity shall not extend to any expenses, costs, losses, claims and damages arising out of the gross negligence or willful misconduct of any person indemnified under this Section 9(a) or any action or inaction on the part of any such indemnified person other than the execution of this Agreement and the other Documents.

(b) Indemnity by FFH. FFH shall indemnify the Company and its directors, officers and employees against all expenses, costs, losses, claims, damages, liabilities and judgments (including, without limitation, reasonable attorney's fees and expenses) resulting from any breach of the representations and warranties of FFH set forth in Section 2 hereof; provided, however, that such indemnity shall not extend to any expenses, costs, losses, claims and damages arising out of the gross negligence or willful misconduct of any person indemnified under this Section 9(c).

(d) Notice of Actions or Proceedings. In case any action or proceeding shall be commenced involving any party in respect of which indemnity may be sought pursuant to Sections 9(a), 9(b) or 9(c) (the "indemnified party"), the indemnified party shall promptly notify the party against whom such indemnity may be sought (the "indemnifying party") in writing of such action or

proceeding; provided, however, that failure of an indemnified party to provide such notice shall not relieve the indemnifying party of its obligations under this Section 9 if such failure does not materially and adversely affect the rights of the indemnifying party.

(e) Defense of Actions and Proceedings. The indemnifying party may assume the defense of such action or proceeding provided that the expenses of the indemnified party are reimbursed as they are incurred (including, without limitation, the payment of all reasonable and documented fees and expenses of counsel to the indemnified party) and the indemnifying party has not failed to comply with any such reimbursement request. Any indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the defense thereof, but the reasonable fees and expenses of such counsel shall be at the expense of the indemnified party, unless (i) the employment of such counsel shall have been specifically authorized in writing by the indemnifying party, (ii) the indemnifying party shall have failed to assume the defense of such action or proceeding or (iii) the

named parties to any such action (including any impleaded parties) include both the indemnified party and the indemnifying party, and the indemnified party shall have been reasonably advised by such counsel that the representation of the indemnifying party and the indemnified party by the same counsel would be inappropriate due to actual or potential differing interests between the indemnifying party and the indemnified party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party). In any such case, the indemnifying party shall not, in connection with any one action or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all indemnified parties and all such reasonable fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by FFH. The indemnifying party shall indemnify and hold harmless the indemnified party from and against any and all expenses, costs, losses, claims, damages, liabilities and judgments by reason of any settlement made by the indemnified party of any action (i) effected with the indemnifying party's written consent or (ii) effected without the indemnifying party's written consent if the indemnifying party is adjudicated by a court of competent jurisdiction to have breached its obligations under this Section 9 and if the indemnified party enters into the settlement more than twenty business days after the indemnifying party shall have received a request from the indemnified party for reimbursement for the reasonable fees and expenses of counsel (in any case where such reasonable fees and expenses are at the expense of the indemnifying party) and, prior to the date of such settlement, the indemnifying party shall have failed to comply with such reimbursement request. The indemnifying party shall not, without the prior written consent of the indemnified party, effect any settlement or compromise of, or consent to the entry of judgment with respect to, any pending or threatened action or

proceeding in respect of which the indemnified party is or could have been a party and indemnity may be or could have been sought hereunder by the indemnified party, unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability on claims that are or could have been the subject matter of such action or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

## 10. Miscellaneous.

(a) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt

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requested, with a copy sent by ordinary mail on the same day), telex, telecopier with confirmation and followed promptly by hard copy in accordance with this provision, or courier guaranteeing overnight delivery and recognized for high quality service:

(i) if to FFH, at

c/o First Frontier Holdings, Inc.  
Beckman, Millman & Sanders, LLP  
General Counsel  
First Frontier Holdings, Inc.  
116 John Street - Suite 1313  
New York, NY 10038  
Tel: 212/406-4700  
Fax: 212/406-3750

Attn: Steven A. Sanders, Esq.

(ii) if to the Company at

Sickbay.Com, Inc.  
510 Broadhollow Road  
Melville, NY 11747  
Attention: Mr. Mark R. Basile, CEO  
Tel: 516/694-0040  
Fax: 516/694-2234

with a copy to:

D. David Cohen, Esq.  
The Jericho Atrium  
500 No. Broadway - Suite 133  
Jericho, New York 11753

or, in any case, at such other address or addresses as shall have been furnished in writing to the Company (in the case of a Series A Investor) or to FFH (in the case of the Company) in accordance with the provisions of this Section 10(a).

All such notices and communications shall be deemed to have been duly given: at the time delivered, if delivered by hand or telex; one (1) business day if sent by overnight courier; five (5) business days after being deposited in the mail, if mailed; and when receipt acknowledged, if telecopied.

(b) Parties. This Agreement shall inure to the benefit of and

be binding upon FFH and the Company and their respective successors and assigns; provided, however, that the rights of FFH set forth in Sections 3(e), 4(b), 4(c)(i)(E)(2) and 4(c)(ii) (but only to the extent that Section 4(c)(ii) provides greater visitation and inspection rights than would otherwise be afforded to holders of the Company's Common Stock in the absence of the grant of rights in Section 4(c)(ii)) shall terminate as to FFH and be of no further force or effect on the earlier of (A) a Qualified IPO and (B) such time that less than 20% of the FFH Shares originally issued remain outstanding; provided, however, that the rights set forth in Section 3(f) and Section 4 shall expire as to any holder of the FFH Shares who holds less than 5% of the outstanding capital stock of the Company; and further provided, however, that such rights shall not be assignable to any competitor of the Company unless such assignment is in connection with the sale by FFH of a majority of the FFH Shares held by them. Nothing expressed or implied in this Agreement is intended or shall be construed to give any person, firm or corporation, other than FFH and the Company and their respective successors and assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of FFH and the Company and their respective successors and assigns, and for the benefit of no other person, firm or corporation. No purchaser of Shares from FFH shall be deemed to be a successor by reason merely of such purchase.

(c) Submission to Jurisdiction. Each of the parties hereto hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America, in each case located in the County of New York, for any action, proceeding or investigation in any court or before any governmental authority ("Litigation") arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any Litigation relating thereto except in such courts). Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any Litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the

State of New York or the United States of America, in each case located in the County of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Litigation brought in any such court has been brought in an inconvenient forum.

(d) Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law rules thereof, applicable to contracts made and to be performed within that State.

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(e) Remedies. Each of the Company and FFH acknowledges and agrees that any failure by the other party to comply with its obligations under Sections 3(g) and 4(c)(i) (other than clauses (A) and E(1) thereof), and 7 and, until a system of internal accounting controls has been approved by the Board of Directors or an annual audit by the Company's independent auditor has been accepted by the Board of Directors, Section 4(a)(i) hereof, may result in material irreparable injury to the Company or FFH as the case may be, for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Company or FFH, as the case may be, may seek such relief as may be required to specifically enforce the other party's obligations thereunder. Each of the Company and FFH further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(f) Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

(g) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart executed by the party against whom enforcement is sought.

(h) Severability. If any provision of this Agreement shall be held to be illegal, invalid or unenforceable such illegality, invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render illegal, invalid or unenforceable any other provision of this Agreement unless the effect thereof would be to alter materially the effect of this Agreement, and this Agreement (if not so altered) shall be carried out as if any such illegal, invalid or unenforceable provision were not contained herein.

(i) Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy on the part of any party upon any breach or default of any party to this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of any similar breach or default thereafter occurring;

nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any party of any breach or default under this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing and that all remedies either under this

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Agreement, or by law otherwise afforded to any party, shall be cumulative and not alternative.

(j) Entire Agreement. This Agreement, together with the other Documents being executed in connection herewith, is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted with respect to the Restricted Stock.

[Remainder of page intentionally left blank]

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

SICKBAY.COM, INC.

By:

\_\_\_\_\_  
Mark R. Basile  
Chief Executive Officer

By:

\_\_\_\_\_  
Allen D. Motola  
President

FIRST FRONTIER HOLDINGS, INC.

By: \_\_\_\_\_

Glen B. Bilbo

Chief Executive Officer and President

SCHEDULE 1

- jurisdictions in which the Company conducts business
- jurisdictions in which the Company is in good standing
- list of all holders of record of capital stock of the Company who are either officers, directors or holders of 10% or more of any class, including the number of shares of capital stock held by each such holder
- list of all outstanding warrants, options, agreements, convertible securities or other commitments pursuant to which the Company is or may become obligated to issue any shares of its capital stock or other securities, which names all persons entitled of record to receive such shares or other securities, the shares of capital stock or other securities required to be issued thereunder as of the date hereof and the price per share, if any, payable with respect to the issuance of any share of capital stock issuable thereunder
- list of all of the material assets and properties to or in which the Company has title, leasehold, license or interest
- list of all of the intellectual property to and of which the Company has full title and ownership
- list of all intellectual property the Company does not have and needs and believes it will not be able to obtain on commercially reasonable terms
- list of all possible violations or infringements by the Company including any written communications it has received alleging that the Company (or any employees, consultants, contractors or other agents of the Company in their capacity as such) has violated or infringed, and has not received any written communications alleging that, by conducting the business of the Company referred to in Section 1(a) hereof, would violate or infringe, any Intellectual Property of any other person or entity
- list of all of the patent applications currently being prepared or prosecuted for the Company, and the Company has not filed any patent applications or been granted any patents
- list of all agreements with employees, consultants and advisors of the

Company, indicating for each such employee

such employee's time commitment (if less than full time).

- list of employees that the Company reasonable believes has intention to terminate his, her or their employment with the Company
- list of employees that the Company has a present intention to terminate
- list of all payments in which the Company is delinquent to any of its employees, for any wages, salaries, commissions, bonuses or other direct compensation for any services performed by the date hereof or amounts required to be reimbursed by it to the date hereof
- list of agreements between Founders and prior employers

#### SCHEDULE 3 (C)

FFH shall perform the following services for the Company:

- (i) strategic planning for all phases of corporate growth;
- (ii) legal consultation for corporate positioning and Securities and Exchange Commission compliance;
- (iii) strategic financial planning for all phases of corporate growth;
- (iv) technical support relative to future acquisitions;
- (v) due diligence assistance for Company acquisitions;
- (vi) merger and acquisition consultation for short term acquisitions and long term exit strategies;
- (vii) consultation for retaining sureties and bonding services;
- (viii) strategic planning for selection and approval of public exchange venues;
- (ix) structure future financial instruments for capital expansion;
- (x) introduction and negotiations to key institutional clients for market support, analysis and rating; and
- (xi) introduction to international institutional clients, exchanges and foreign markets.

EXHIBIT A  
STOCKHOLDERS' AGREEMENT

EXHIBIT B  
REGISTRATION RIGHTS AGREEMENT

EXHIBIT C  
INITIAL ANNUAL BUDGET

EXHIBIT D  
OPINION OF D. DAVID COHEN

EXHIBIT E  
OPINION OF BECKMAN, MILLMAN & SANDERS, LLP

April 17, 2001

Sickbay.com, Inc.  
510 Broadhollow Road  
Melville, New York 11747

Re: Financing Transaction by and between First Frontier Holdings, Inc. and Sickbay.com, Inc.

Ladies and Gentlemen:

We are counsel to First Frontier Holdings, Inc, ("Purchaser") and have acted as counsel to Purchaser in connection with a certain Stock Purchase

Agreement and Schedule to Stock Purchase Agreement dated as of \_\_\_\_\_, 2000 (the "Stock Purchase Agreement"), by and between Purchaser and Sickbay.com, Inc. ("Seller"), a Registration Rights Agreement dated \_\_\_\_\_, 2000 ("Registration Agreement") and a Stockholders' Agreement dated as of \_\_\_\_\_, 2000 and any additional closing documents not specifically named herein but executed contemporaneously with the aforementioned documents. The Stock Purchase Agreement, Registration Agreement and Stockholders' Agreement shall be collectively referred to in this opinion as the "Acquisition Documents". We have examined the Acquisition Documents and have made such other investigations as we have deemed necessary in connection with the opinions hereinafter set forth.

All capitalized terms used herein without further definition shall have the respective meanings ascribed thereto in the Stock Purchase Agreement.

Based upon the foregoing, and upon such investigations as have deemed necessary, it is our opinion that:

1. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has good standing in all jurisdictions in which it does

business.

2. Purchaser has the corporate power and authority to enter into and to perform its obligations under the Acquisition Documents and to execute and deliver the Acquisition Documents to you. The execution, delivery and performance of the Acquisition Documents has been duly authorized by all requisite corporate action on behalf of, and the Acquisition Documents have been duly executed and delivered by Purchaser.

3. The Acquisition Documents represent valid and binding obligations of Purchaser enforceable in accordance with their terms.

4. The execution and delivery of the Acquisition Documents and the performance of Purchaser's obligations thereunder (i) does not conflict with or result in a violation of the Articles of Incorporation or By-Laws of Purchaser, as amended, (ii) does not conflict with or violate any applicable statute, law or regulation, (iii) shall not violate or result in a default by Purchaser (immediately or with notice or the passage of time, or both) under any agreement, contract or instrument to which Purchaser is a party or by which Purchaser is bound, and (iv) shall not conflict with or violate any order, writ, judgement or decree known to us to which Purchaser is a party or is subject.

5. There is no suit, action or proceeding pending or threatened against or affecting Purchaser, before or by any court, administrative agency or governmental authority, or which brings or may bring into question the validity or enforceability of any of the transactions contemplated by the Acquisition

Documents.

6. No approval, authorization or other action by, or filing with, any governmental authority is required in connection with the execution and delivery by Purchaser of the Loan Documents.

7. The Registration Rights Agreement has been duly and validly executed and delivered to Purchaser.

Sickbay.com, Inc.

April 17, 2001

Page 3

8. The Acquisition Documents have been duly executed and delivered by the Purchaser and constitute legal, valid and binding agreements of the Purchaser which are enforceable against the Purchaser in accordance with their respective terms and conditions, subject to the effects of bankruptcy, insolvency, fraudulent preference and other similar laws relating to or affecting creditor's rights generally and general equitable principles (whether considered in a proceeding in equity or at law).

Very truly yours,  
BECKMAN, MILLMAN & SANDERS, LLP

By: \_\_\_\_\_  
Beckman, Millman & Sanders, LLP

=====

Sickbay.com, Inc.  
(a Utah corporation)

Common Stock

REGISTRATION RIGHTS AGREEMENT

Dated: January 29, 2000

=====

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT ("Agreement") dated as of March 2, 2000 is by and among Sickbay.com, Inc., a Utah corporation (the "Company") and First Frontier Holdings, Inc., a New York corporation ("FFH").

RECITALS

WHEREAS, the Company and FFH have executed and delivered that certain Stock Purchase Agreement, dated March 2, 2000 (the "Stock Purchase Agreement"), pursuant to which the Company has agreed to issue and sell to FFH, and FFH has agreed to purchase from the Company, certain shares of the Company's Common Stock, par value \$.001 per share (the "Shares"), specified therein;

WHEREAS, as an inducement to FFH to consummate the purchase of the Shares in accordance with the Stock Purchase Agreement, the Company desires to grant to FFH the registration rights set forth in this Agreement, subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Business Day" shall mean any day except Saturday, Sunday and any day on which banks in The City of New York are required or permitted by law or executive order to close.

"Commission" shall mean the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

"Common Stock" shall mean the Common Stock, \$.001 par value per share, of the Company.

"Eligible Founder" shall mean a Founder who holds Restricted Stock following such time as sales or transfers of Shares by FFH result in the receipt of aggregate net proceeds to each FFH (measured on a cumulative basis from the date hereof) of an amount equal to the price originally paid to the Company for the

Shares by FFH (such receipt of such amount being the ("FFH Threshold"). To the extent that the aggregate net proceeds of any transaction covered by a Registration Statement exceeds the amount required to satisfy the FFH Threshold, each Founder shall become an Eligible Founder with respect to such excess.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Founders" shall mean Mr. Mark R. Basile and Mr. Allen D. Motola.

"Founders' Shares" shall mean shares of Common Stock held, as of the date of this Agreement, by a Founder.

"Investor Transferee" shall mean, with respect to FFH, a transferee of Preferred Stock or Restricted Stock of FFH if such transferee (i) has given the Company written notice at the time of or within a reasonable time after such transfer stating the name and address of such transferee and (ii) has executed and delivered to the Company an instrument in the form reasonably prescribed by the Company agreeing to be bound by the terms thereof and of this Agreement and the Stockholders' Agreement; provided, however, that the rights of FFH under this Agreement shall not be assignable to any competitor of the Company unless such assignment is in connection with the sale by FFH of a majority of the Shares held by them.

"Person" shall mean an individual, corporation, partnership, joint venture, trust university, or unincorporated organization, or a government or any agency or political subdivision thereof.

"Prospectus" shall mean the prospectus included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

"Qualified Secondary Offering" shall mean a firm underwritten public offering of Common Stock by a nationally recognized underwriter with aggregate gross proceeds to the Company of at least \$10,000,000 and reflecting a market value of the Company of at least \$200,000,000 immediately prior to such public offering.

"Register," "registered," and "registration" shall mean a registration effected by preparing and filing one or more

Registration Statements in compliance with the Securities Act.

"Registration Delay Limit" shall mean the period, not to exceed, for so long as this Agreement is in effect, ninety (90) consecutive days, subject to an aggregate of one-hundred twenty (120) days in any twelve (12) month period, wherein the Company may delay or suspend a registration of Restricted Stock; provided, however, that the combined number of days in any such period and any Lock-up Period contemplated by Section 13 of this Agreement shall not exceed One Hundred Eighty (180) days in any twelve (12) month period.

"Registration Expenses" shall mean all expenses incurred by the Company in complying with the Registration Provisions, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel and independent public accountants for the Company, fees and expenses (including counsel fees) incurred in connection with complying with state securities or "blue sky" laws, fees of the National Association of Securities Dealers, Inc., transfer taxes, fees of transfer agents and registrars, and the reasonable fees and disbursements of one counsel for the sellers of Restricted Stock, but excluding any Selling Expenses.

"Registration Provisions" shall mean Sections 3, 4, and 5 of this Agreement.

"Registration Statement" shall mean any registration statement of the Company relating to the registration for resale of Restricted Stock that is filed pursuant to the provisions of this Agreement and including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

"Restricted Stock" shall mean the Founders' Shares and any other shares of Common Stock outstanding, but excluding in each case shares of Common Stock

which have been (i) registered under the Securities Act pursuant to an effective Registration Statement filed thereunder and disposed of in accordance with the Registration Statement covering them or (ii) publicly sold pursuant to Rule 144 or Rule 701 under the Securities Act:

"Securities Act" shall mean the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"FFH Eligible Sellers" shall have the meaning attributed to such term in Section 3(a).

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"FFH Demand Notice" shall have the meaning attributed to such term in Section 3(a).

"Stockholders' Agreement" shall mean the Stockholders' Agreement, dated the date hereof, among the Company and certain of its stockholders, as amended to date and as the same may be amended from time to time hereafter.

2. Restrictive Legend. Each certificate representing Restricted Stock shall, except as otherwise provided in the Registration Provisions, be stamped or otherwise imprinted with a legend substantially in the form required under the Stockholders' Agreement.

### 3. Required Registrations.

(a) Upon the expiration of the lock-up period required by an underwriter in connection with a Qualified Secondary Offering by the Company of shares of its Common Stock pursuant to the Securities Act (but in no event later than Six (6) months following such Qualified Secondary Offering), the holders of Restricted Stock then owned beneficially or of record by the FFH Investors and Investor Transferees of FFH (collectively, the "FFH Eligible Sellers") constituting at least 50% of the total Restricted Stock held by such FFH Eligible Sellers may request (the "FFH Demand Notice") the Company to register under the Securities Act all or any portion of the shares of Restricted Stock held by such requesting holder or holders for sale in the manner specified in such FFH Demand Notice, provided that the reasonably anticipated aggregate price to the public of such public offering would be at least \$10,000,000.

### 3. Incidental Registrations.

(a) If the Company proposes to register any of its securities under the Securities Act for sale to the public, whether for its own account or for the account of other security holders or both (except with respect to Registration Statements on Forms S-4, S-8 or another form not available for registering the Restricted Stock for sale to the public), each such time the Company will give written notice to all holders of Restricted Stock then owned beneficially or of

record by the FFH Investors and Investor Transferees of FFH (collectively, the "FFH Eligible Sellers") and Eligible Founders of its intention so to do and of the proposed method of distribution of such securities (the "Company Registration Notice"). Upon the written request of any such FFH Eligible Seller or Eligible Founder, received by the Company within 30 days after the giving of any such notice by the Company, to register any of its Restricted Stock, the Company will use its best efforts to cause the Restricted Stock as to which registration shall have been so requested to be included in the securities to be

covered by the Registration Statement proposed to be filed by the Company, all to the extent and under the conditions such registration is permitted under the Securities Act.

(b) If the Registration Statement as to which the Company gives notice under this Section 3 is for an underwritten offering, the Company shall so advise the FFH Eligible Sellers and Eligible Founders. In such event, the right of any FFH Eligible Seller and Eligible Founder to be included in a registration pursuant to this Section 3 shall be conditioned upon such FFH Eligible Seller's and Eligible Founder's participation in such underwriting and the inclusion of such FFH Eligible Seller's and Eligible Founder's Restricted Stock in the underwriting to the extent provided herein. All FFH Eligible Sellers and Eligible Founders participating in an underwritten public offering pursuant to this Section 3 shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of the Agreement, if the Company proposes to register any of its securities under the Securities Act for its own account and the underwriter determines in good faith that marketing factors require a limitation of the number of securities to be underwritten, the number of shares that may be included in the underwriting pursuant to this Section 3 shall be allocated: first, to the Company; and second, on a pro rata basis among the FFH Eligible Sellers, the Eligible Founders and security holders other than the FFH Eligible Sellers and Eligible Founders with incidental registration rights substantially equivalent to those set forth in this Section 4; provided, however, that, if such registration is pursuant to an initial public offering of Common Stock by the Company, the number of shares that may be included in the underwriting may be limited solely to shares of the Company; and provided further, however, that, if the FFH Eligible Sellers are limited, participation in such underwritten offering shall be restricted to the Company and the FFH Eligible Sellers.

(c) Notwithstanding the foregoing provisions, the Company may withdraw any Registration Statement referred to in this Section 3 which it initially proposed to file to register newly issued securities for sale in its sole discretion without thereby incurring any liability to the holders of Restricted Stock, and the FFH Eligible Sellers holding Restricted Stock included in the offering covered by such Registration Statement at the time of such withdrawal shall thereupon continue to be entitled to the registration rights under this

Agreement in respect of such Restricted Stock.

5. Registration Procedures. If and whenever the Company is required to include shares of Restricted Stock in a registration subject to Section 3, the Company will, as expeditiously as possible:

(a) use its best efforts to effect such registration to permit the sale of the Restricted Stock being sold in accordance with the intended method or methods of distribution thereof, and pursuant thereto prepare and file with the Commission a Registration Statement on any appropriate form under the Securities Act, which form shall be available for the sale of the Restricted Stock in accordance with the intended method or methods of distribution thereof for the period of the distribution contemplated hereby (determined as hereinafter provided) and otherwise in accordance with the provisions hereof;

(b) use its reasonable best efforts to keep such Registration Statement continuously effective for the period of the distribution contemplated hereby (determined as hereinafter provided). Upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (i) to contain an untrue statement of material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) not to be effective and usable for resale of the Restricted Stock during the period required by this Agreement, the Company shall, subject to the Registration Delay Limit, file promptly an appropriate amendment to such Registration Statement or a supplement to the Prospectus, as applicable, curing such defect, and, in the case of an amendment, use its best efforts to cause such amendment to be declared effective as soon as practicable;

(c) prepare and file with the Commission such amendments and post-effective amendments to the applicable Registration Statement as may be necessary to keep such Registration Statement continuously effective for the period of distribution as contemplated hereby (determined as hereinafter provided); cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and to comply fully with Rules 424, 430A and 462, as applicable, under the Securities Act in a timely manner; and comply with the provisions of the Securities Act with respect to the disposition of all Restricted Stock covered by such Registration Statement during the applicable period in accordance with the participating FFH Eligible Sellers' and Eligible Founders' intended method of disposition set forth in such Registration Statement for such period;

(d) advise the FFH and Eligible Founders promptly and, if requested by such FFH Eligible Sellers and Eligible Founders, confirm such advice in writing, (i) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any applicable Registration Statement or any

post-effective amendment thereto, when the same has become effective, (ii) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Restricted Stock for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, and (iv) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement in order to make the statements therein not misleading, or that requires the making of any additions to or changes in the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Restricted Stock under state securities or Blue Sky laws, the Company shall use its best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(e) subject to Section 4(b) hereof, if any fact or event contemplated by Section 4(d)(iv) hereof shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Restricted Stock, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The FFH Eligible Sellers and Eligible Founders agree, upon receipt of notice by the Company of any fact or event contemplated by Section 6(d)(iv) hereof, forthwith to cease making offers and sales of Restricted Stock pursuant to such Registration Statement or deliveries of the Prospectus contained therein for any purpose until the Company has prepared and furnished such amendment or supplement to the Prospectus as may be necessary so that, as thereafter delivered to purchasers of such Restricted Stock, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(f) furnish to each participating FFH Eligible Seller and Eligible Founder and to each underwriter, before filing with the Commission, copies of any

Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement), which sections of such documents that are applicable to the participating FFH Eligible Seller or Eligible Founder will be subject to the review and comment of such persons, if any (any of which comments the Company, in its reasonable discretion, may reject), for a period of at least five Business Days, and the Company will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) to which a participating FFH Eligible Seller or Eligible Founder shall reasonably object within five Business Days after the receipt thereof;

(g) promptly prior to the filing of any document that is to be incorporated by reference into a Registration Statement or Prospectus, provide copies of such document to each participating FFH Eligible Seller and Eligible Founder and to each underwriter, make the Company's representatives available for discussion of such document and other customary due diligence matters, and include such information in such document prior to the filing thereof as such participating FFH Eligible Seller and Eligible Founder may reasonably request;

(h) make available for inspection upon reasonable notice during the Company's regular business hours by each participating FFH Eligible Seller and Eligible Founder, any underwriter participating in any distribution pursuant to such Registration Statement, and any attorney, accountant or other agent retained by such FFH Eligible Seller, Eligible Founder or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such FFH Eligible Seller, Eligible Founder, underwriter, attorney, accountant or agent in connection with such Registration Statement or any post-effective amendment thereto subsequent to the filing thereof and prior to its effectiveness;

(i) if requested by the participating FFH Eligible Sellers and Eligible Founders, promptly include in the Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such corrective, supplementary or like information as the participating FFH Eligible Sellers and Eligible Founders may reasonably request to have included therein; and make all required filings of such Prospectus supplement or post-effective amendment

as soon as practicable after the Company is notified of the matters to be included in such Prospectus supplement or post-effective amendment;

(j) furnish to each participating FFH Eligible Seller and Eligible Founder and to each underwriter, without charge, such number of copies of the Registration Statement and the Prospectus included therein (including each preliminary prospectus) as such persons reasonably may request in order to

facilitate the public sale or other disposition of the Restricted Stock covered by such Registration Statement;

(k) prior to any public offering of Restricted Stock, use its best efforts to register or qualify the Restricted Stock covered by such Registration Statement under the securities or "blue sky" laws of such jurisdictions as the sellers of Restricted Stock or, in the case of an underwritten public offering, the underwriter reasonably shall request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Restricted Stock covered by the applicable Registration Statement; provided, however, that the Company shall not for any such purpose be required to qualify generally to transact business as a foreign corporation in any jurisdiction where it is not so qualified or to consent to general service of process in any such jurisdiction other than as to matters and transactions relating to the Registration Statement;

(l) use its best efforts to list the Restricted Stock covered by such Registration Statement with any securities exchange on which the Common Stock of the Company is then listed;

(m) use its best efforts to cause the disposition of the Restricted Stock covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Restricted Stock, subject to the proviso contained in clause (k) above;

(n) in connection with any sale of Restricted Stock that will result in such securities no longer being Restricted Stock, cooperate with the FFH to facilitate the timely preparation and delivery of certificates representing Restricted Stock to be sold and not bearing any restrictive legends; and to register such Restricted Stock in such denominations and such names as the selling FFH Shareholders may request at least two Business Days prior to such sale of Restricted Stock;

(o) if the offering is underwritten and at the request of any participating FFH Eligible Seller or Eligible Founder, enter into such agreements (including underwriting agreements) and make

such reasonable representations and warranties and take all such other reasonable actions in connection therewith in order to expedite or facilitate the disposition of the Restricted Stock pursuant to any applicable Registration Statement contemplated by this Agreement as may be reasonably requested by the participating FFH Eligible Seller or Eligible Founder in connection with any sale or resale pursuant to any applicable Registration Statement; in such connection, the Company shall upon request of any participating FFH Eligible Seller or Eligible Founder, furnish (or in the case of clauses (ii) and (iii), use its best efforts to cause to be furnished) to such FFH Eligible Seller and

Eligible Founder, on the date that Restricted Stock is delivered to the underwriters for sale pursuant to such registration: (i) such documents and certificates as may be reasonably requested by the participating FFH Eligible Sellers and Eligible Founders to evidence compliance with the applicable matters covered in this Section 4, (ii) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, and (iii) an opinion, dated as of such date, of counsel representing the Company covering substantially the same matters with respect to such Registration Statement as are customarily covered in opinions of issuer's counsel delivered to underwriters with respect to similar registration statements in underwritten public offerings, addressed to the participating FFH Eligible Sellers and Eligible Founders and the underwriters;

(p) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make generally available to its security holders with regard to any applicable Registration Statement, as soon as practicable (but not sooner than the filing deadline of the last quarterly report included therein), a consolidated earnings statement meeting the requirements of Rule 158 of the Securities Act (which need not be audited) covering a twelve-month period beginning after the effective date of the Registration Statement (as such term is defined in Rule 158(c) under the Securities Act); and

(q) if such documents are not readily available on the Commission's EDGAR database, or any successor thereto, provide promptly to FFH, upon request, each document filed with the Commission pursuant to the requirements of Section 13 or Section 15(d) of the Exchange Act.

For purposes of Section 3(b) the period of distribution of Restricted Stock in a firm commitment underwritten public offering shall be deemed to extend until the earlier of (i) one hundred twenty (120) days or (ii) the date on which each underwriter has completed the distribution of all securities purchased by it,

and the period of distribution of Restricted Stock in any other registration shall be deemed to extend until the earlier of (i) 120 days or (ii) the date upon which the underwriter, if any, terminates the lock-up agreements applicable to such distribution.

In connection with each registration hereunder, the FFH Eligible Sellers and Eligible Founders participating shall (a) provide such information and execute such documents as may reasonably be required in connection with such registration, (b) agree to sell Restricted Stock on the basis provided in any underwriting arrangements and (c) complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements, which arrangements

shall not be inconsistent herewith.

In connection with each registration pursuant to any Registration Provision covering an underwritten public offering, the Company and each participating FFH Eligible Seller and Eligible Founder agree to enter into a written agreement with the lead underwriter in such form and containing such provisions as are customary in the securities business for such an arrangement between such underwriter and companies of the Company's size and investment stature.

5. Conditions to Registration Obligations. The Company shall not be obligated to effect the registration of the Restricted Stock pursuant to Section 3 unless the participating FFH Eligible Sellers and Eligible Founders consent to customary conditions of a reasonable nature, including the following:

(a) conditions prohibiting the sale of Restricted Stock by the participating FFH Eligible Sellers and Eligible Founders until the registration is effective;

(b) conditions requiring the participating FFH Eligible Sellers and Eligible Founders to comply with all applicable provisions of the Securities Act and the Exchange Act including, but not limited to, the prospectus delivery requirements of the Securities Act, and to furnish to the Company information about sales made in such public offering;

(c) subject to the Registration Delay Limit, conditions prohibiting the participating FFH Eligible Sellers and Eligible Founders upon receipt of telegraphic or written notice from the Company that it is required by law to correct or update the registration statement or prospectus from effecting sales of the Restricted Stock until the Company has completed the necessary correction or updating, provided, that the Company shall use its best efforts to promptly complete such necessary correction or updating; and

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(d) conditions prohibiting the participating FFH Eligible Sellers and Eligible Founders from selling all or substantially all of the Restricted Stock of such participating FFH Eligible Sellers and Eligible Founders in a block trade at a discount of more than the lesser of 10% and two (2) times the then standard discount for block trades of similar size and of similar securities issued by entities with financial condition and prospects similar to the Company at such time.

6. Expenses. The Company will pay all Registration Expenses in connection with each Registration Statement pursuant to Section 3 hereof. All Selling Expenses attributable to the sale of securities by FFH Eligible Sellers or Eligible Founders in connection with each Registration Statement under any Registration Provision shall be borne by the participating FFH Eligible Sellers and Eligible Founders in proportion to the number of shares sold by each, or by such participating FFH Eligible Sellers and Eligible Founders as they may agree; and

all Selling Expenses attributable to the sale of securities by the Company in connection with any Registration Provision shall be borne by the Company.

## 7. Indemnification and Contribution.

(a) In the event of a registration of any of the Restricted Stock under the Securities Act pursuant to any Registration Provision, the Company will indemnify and hold harmless each FFH Eligible Seller and Eligible Founder thereunder and each underwriter of such Restricted Stock thereunder and each other Person, if any, who controls such FFH Eligible Seller, Eligible Founder or underwriter (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), against any losses, claims, damages, liabilities or judgments, joint or several, as incurred (including, without limitation, any legal or other expenses incurred in connection with investigating or defending any matter, including any action that could give rise to any such losses, claims, damages, liabilities or judgments), to which such FFH Eligible Seller, Eligible Founder underwriter or controlling Person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, preliminary prospectus or Prospectus (or any amendment or supplement thereto) provided by the Company to any FFH Investor, underwriter, each other Person, if any, who controls such FFH Eligible Seller, Eligible Founder or underwriter within the meaning of the Securities Act or any prospective purchaser of Restricted Stock, (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation by the Company of the Securities

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Act, and will pay the legal fees and other expenses, as incurred, of each such FFH Eligible Seller, each such Eligible Founder, each such underwriter and each such controlling Person incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action, provided, however, that the Company will not be liable in any such case if and to the extent that any such loss, claim, damage, liability or judgment arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in reliance upon and in conformity with information furnished by any such FFH Eligible Seller, any such Eligible Founder, any such underwriter or any such controlling Person, in each case, in writing specifically for use in such Registration Statement or Prospectus.

(b) In the event of a registration of any of the Restricted Stock under the Securities Act pursuant to any Registration Provision, each FFH Eligible Seller and Eligible Founder thereunder, severally and not jointly, will indemnify and hold harmless the Company, its directors and officers, and each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Company, to the same extent as the foregoing

indemnity from the Company set forth in Section 6(a) hereof, but only with reference to information relating to such FFH Eligible Seller or such Eligible Founder, as the case may be, furnished in writing to the Company by such FFH Eligible Seller or such Eligible Founder expressly for use in any Registration Statement. In no event shall any FFH Eligible Seller, Eligible Founder or its or their directors, officers or any Person who controls such FFH Eligible Seller or Eligible Founder be liable or responsible for any amount in excess of the gross proceeds (after deducting underwriting discounts and selling commissions) received by such FFH Eligible Seller or Eligible Founder with respect to its sale of Restricted Stock pursuant to a Registration Statement.

(c) In case any action shall be commenced involving any Person in respect of which indemnity may be sought pursuant to Section 7(a) or 9(b) (the "indemnified party"), the indemnified party shall promptly notify the Person against whom such indemnity may be sought (the "indemnifying Person") in writing; provided, however, that failure of an indemnified party to provide such notice shall not relieve an indemnifying Person of its obligations under this Section 6 if such failure does not materially and adversely affect the rights of such indemnifying Person. The indemnifying party may assume the defense of such action provided that the expenses of the indemnified party are reimbursed as they are incurred (including, without limitation, the payment of all fees and expenses of counsel to the indemnified party) and such indemnifying party has not failed to comply with any such reimbursement request. Any indemnified party shall have the right to employ separate counsel

in any such action and participate in the defense thereof, but the reasonable fees and expenses of such counsel shall be at the expense of the indemnified party, unless (i) the employment of such counsel shall have been specifically authorized in writing by the indemnifying party, (ii) the indemnifying party shall have failed to assume the defense of such action or (iii) the named parties to any such action (including any impleaded parties) include both the indemnified party and the indemnifying party, and the indemnified party shall have been reasonably advised by such counsel that the representation of the indemnifying party and the indemnified party by the same counsel would be inappropriate due to actual or potential differing interests between the indemnifying party and the indemnified party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party). In any such case, the indemnifying party shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all indemnified parties and all such reasonable fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by a majority of the FFH Eligible Sellers and Eligible Founders, in the case of the parties indemnified pursuant to Section 9(a), and by the Company, in the case of parties indemnified pursuant to Section 9(b). The indemnifying party shall

indemnify and hold harmless the indemnified party from and against any and all losses, claims, damages, liabilities and judgments by reason of any settlement of any action (i) effected with the indemnifying party's written consent or (ii) effected without the indemnifying party's written consent if the indemnifying party is adjudicated by a court of competent jurisdiction to have breached its obligations under this Section 7 and the indemnified party enters into a settlement more than twenty Business Days after the indemnifying party shall have received a request from the indemnified party for reimbursement for the reasonable fees and expenses of counsel (in any case where such reasonable fees and expenses are at the expense of the indemnifying party) and, prior to the date of such settlement, the indemnifying party shall have failed to comply with such reimbursement request. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement or compromise of, or consent to the entry of judgment with respect to, any pending or threatened action in respect of which the indemnified party is or could have been a party and indemnity or contribution may be or could have been sought hereunder by the indemnified party, unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability on claims that are or could have been the subject matter of such action and (ii) does not

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include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

(d) To the extent that the indemnification provided for in this Section 7 is unavailable to an indemnified party in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or judgments (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the FFH Eligible Sellers and Eligible Founders, on the other hand, from their sale of Restricted Stock or (ii) if the allocation provided by clause (i) of this Section 7(d) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (i) but also the relative fault of the Company, on the one hand, and of the FFH Eligible Seller and Eligible Founder, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the FFH Eligible Seller and Eligible Founder, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or by the FFH Eligible Seller and Eligible Founder, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by an

indemnified party as a result of the losses, claims, damages, liabilities or judgments referred to above shall be deemed to include, subject to the limitations set forth in Section 9(c), any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any matter, including any action that could have given rise to such losses, claims, damages, liabilities or judgments.

The Company and each FFH Eligible Seller and Eligible Founder agree that it would not be just and equitable if contribution pursuant to this Section 9(d) were determined by pro rata allocation (even if the FFH Eligible Sellers and Eligible Founders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6, no FFH Eligible Seller, Eligible Founder, its or their directors or officers or any Person, if any, who controls such FFH Eligible Seller or Eligible Founder shall be required to contribute, in the

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aggregate, any amount in excess of the gross proceeds (after deducting underwriting discounts and selling commissions) received by such FFH Eligible Seller or Eligible Founder with respect to its sale of Restricted Stock pursuant to a Registration Statement. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The FFH Eligible Sellers' and Eligible Founders' obligations to contribute pursuant to this Section 7(d) are several in proportion to the respective shares of Restricted Stock held by each FFH Eligible Seller and Eligible Founder hereunder and not joint.

8. Changes in Common Stock or Preferred Stock. If, and as often as, there is any change in the Common Stock or the Preferred Stock by way of a stock split, stock dividend, combination or reclassification, or through a merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment shall be made in the provisions hereof so that the rights and privileges granted hereby shall continue with respect to the Common Stock or the Preferred Stock as so changed.

9. Rule 144 Reporting and Rule 144A Information. With a view to making available the benefits of certain rules and regulations of the Commission that may at any time permit the resale of the Restricted Stock without registration, the Company will:

(a) at all times after 90 days after any Registration Statement covering a public offering of securities of the Company under the Securities Act shall have become effective:

(i) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act;

(ii) use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(iii) furnish to each FFH Eligible Seller and Eligible Founder forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of such Rule 144 and of the Securities Act and the Exchange Act; and

(b) at any time, at the request of any FFH Eligible Seller or Eligible Founder, make available to such FFH Eligible Seller or Eligible Founder, as the case may be, and to any prospective transferee of Preferred Stock or shares of Restricted Stock the information concerning the Company described in Rule 144A(d) (4) under the Securities Act.

10. Representations and Warranties of the Company. The Company represents and warrants to the FFH Investors and Founders, as of the date hereof, as follows:

(a) The execution, delivery and performance of this Agreement by the Company have been duly authorized by all requisite corporate action and will not cause a material violation of any provision of any law applicable to the Company, any order of any court or other agency of government applicable to the Company, the Certificate of Incorporation or By-laws of the Company or any provision of any indenture, agreement or other instrument to which it or any of its properties or assets is bound, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Company.

(b) This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, subject to laws of general application from time to time in effect affecting creditors' rights and the exercise of judicial discretion in accordance with general equitable principles.

11. Lock-Up Period Agreements. In connection with any underwritten public offering of the Company's securities, FFH hereby agrees, and FFH shall secure the agreement of any Investor Transferee, upon request of the Company or the lead underwriter, not to sell or otherwise transfer or dispose of any securities of the Company held by such person for a period (the "Lock-Up Period") following the effective date of a registration statement of the Company filed under the Securities Act with respect to such offering. The Lock-Up Period shall not exceed 180 days after such effective date for any secondary Offering. No Lock-Up Period agreement shall apply under this Section 12 to any public offering unless each executive officer, director, and holder of at least 1.5% of the outstanding

shares of Common Stock of the Company shall enter into the same Lock-Up Period agreement or a Lock-Up Period agreement more favorable to the Company in respect of such public offering. In the event that the provisions set forth in Section 4(b) of this Agreement prevent FFH Investor from registering its Restricted Stock pursuant to Section 3(a) of this Agreement in a public offering by the Company, FFH shall not be subject to the Lock-Up Period agreement set forth in this Section 12 during such offering.

## 12. Miscellaneous.

(a) Successors and Assigns. This Agreement shall inure to the

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benefit of and be binding upon the successors and assigns of each of the parties, including, without limitation, Investor Transferees; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Restricted Stock in violation of the terms hereof or of the Stock Purchase Agreement or the Stockholders' Agreement; provided, further, that the rights of the FFH hereunder shall not be assignable to any competitor of the Company unless such assignment is in connection with the sale by FFH of a majority of the Restricted Stock held by FFH and notice of such assignment and the identity of such transferee is provided to the Company. If any transferee of FFH shall acquire Restricted Stock in any manner, whether by operation of law or otherwise, such Restricted Stock shall be held subject to all of the terms of this Agreement, and by taking and holding such Restricted Stock such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Stock Purchase Agreement and Stockholders' Agreement, and such Person shall be entitled to receive the benefits hereof.

(b) Remedies. Each party to this Agreement acknowledges and agrees that any failure by such party to comply with such party's obligations hereunder may result in material irreparable injury to the other parties hereto for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the other parties may seek such relief as may be required to specifically enforce the breaching party's obligations hereunder. Each party further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier with confirmation and followed promptly by hard copy in accordance with this provision, or courier guaranteeing reasonably prompt delivery and recognized for high quality service:

(i) if to FFH, at

c/o First Frontier Holdings, Inc.  
Beckman, Millman & Sanders, LLP  
116 John Street - Suite 1313  
New York, NY 10038  
Tel: 212-406-4700  
Fax: 212-406-3750  
Attn: Steven A. Sanders, Esq.

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(ii) if to the Company

510 Broadhollow Road  
Melville, NY 11747  
Tel: 516-694-0040  
Fax: 516-694-2234  
Attn: Mark R. Basile, CEO

or, in any case, at such other address or addresses as shall have been furnished in writing by one party to the other parties in accordance with the provisions of this Section 14(c).

All such notices and communications shall be deemed to have been duly given: at the time delivered, if delivered by hand, telex or by courier; five (5) business days after being deposited in the mail, if mailed; and when receipt acknowledged, if telecopied.

(d) Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law rules thereof, applicable to contracts made and to be performed within such State.

(e) Submission to Jurisdiction. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States of America, in each case located in the County of New York, for any action, proceeding or investigation in any court or before any governmental authority ("Litigation") arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any Litigation relating thereto except in such courts). Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any Litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York or the United States of America, in each case located in the County of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Litigation brought in any such court has been brought in an inconvenient forum.

(f) No Inconsistent Agreements. The Company will not, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to FFH Investors in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to FFH hereunder do not in conflict in any material respect with and are not inconsistent with the rights granted to the holders of the

Company's securities under any agreement in effect on the date hereof. The Company shall not grant to any third party any registration rights that are more favorable than, inconsistent with, or equivalent to any of those contained herein, so long as any of the registration rights under this Agreement remains in effect.

(g) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, unless (i) in the case of this Section 13(g), the Company has obtained the written consent of each FFH Eligible Seller and (ii) in the case of all other provisions hereof, the Company has obtained the written consent of the FFH Eligible Sellers holding a majority of the outstanding shares of Restricted Stock (excluding Restricted Stock held by the Company or any of its affiliates (as defined in Rule 144 under the Securities Act)).

(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart executed by the party against whom enforcement is sought.

(i) Termination. This Agreement and the rights granted herein with respect to any FFH Eligible Seller or Eligible Founder shall terminate on the earlier of (i) the seventh (7th) anniversary of a Qualified Initial Public Offering and (ii) such time that all of the Restricted Stock held by such FFH Eligible Seller or Eligible Founder can be sold under Rule 144(k) promulgated under the Securities Act.

(j) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(k) Severability. If any provision of this Agreement shall be held to be illegal, invalid or unenforceable such illegality, invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render illegal, invalid or unenforceable any other provision of this Agreement unless the effect thereof would be to alter materially the effect of this Agreement, and this Agreement (if not so altered) shall be carried out as if any such illegal, invalid or unenforceable provision were not contained herein.

(l) Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy on the part of any party upon any breach or default of any party to this Agreement shall

impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any party of any breach or default under this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing and that all remedies either under this Agreement, or by law otherwise afforded to any party, shall be cumulative and not alternative.

(m) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted with respect to the Restricted Stock. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

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

Sickbay.com, Inc.

By: \_\_\_\_\_  
Mark R. Basile  
Chief Executive Officer

By: \_\_\_\_\_  
Allen D. Motola  
President

First Frontier Holdings, Inc.

By: \_\_\_\_\_  
Glen B. Bilbo

